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LEGISLATIVE HISTORY

Public Law 83-180

S. J. Res. 97

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INDEX AND SUMMARY OF S. J. RES. 97

June	2, 1953	Senate received Executive H - the agreement revising and renewing the International Wheat Agreement. Print of document.
July	8, 1953	Senate Foreign Relations committee reported Executive H without amendment. S. Executive Report No. 4, on S. J. Res. 97.
July	13, 1953	Senate ratified Executive H and passed S. J. Res. 97 without amendment. Print of S. J. Res. 97 as referred to House Banking and Currency Committee.
July	21, 1953	House committee reported S. J. Res. 97 without amendment. H. Report No. 893. Print of bill and report.
July	28, 1953	House Rules Committee reported a resolution for consideration of S. J. Res. 97. H. Res. 360, H. Rept. 1008. Print of resolution and report.
July	29, 1953	House passed S. J. Res. 97 without amendment.
Aug.	1, 1953	Approved: Public Law 83-180.



83D CONGRESS }
1st Session }

SENATE

{ EXECUTIVE
H }

THE AGREEMENT REVISING AND RENEWING THE
INTERNATIONAL WHEAT AGREEMENT

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A CERTIFIED COPY OF THE AGREEMENT REVISING AND RENEWING THE INTERNATIONAL WHEAT AGREEMENT, WHICH WAS OPEN FOR SIGNATURE IN WASHINGTON APRIL 13 TO 27, INCLUSIVE, 1953, AND WAS SIGNED DURING THAT PERIOD ON BEHALF OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENTS OF 44 OTHER COUNTRIES

JUNE 2, 1953.—Agreement was read the first time and the injunction of secrecy was removed therefrom. The agreement, the President's message of transmittal, and the report by the Assistant Secretary of State, with attached summary, were referred to the Committee on Foreign Relations and ordered to be printed for the use of the Senate

THE WHITE HOUSE, June 2, 1953.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, if the Senate approve thereof, I transmit herewith a certified copy of the agreement revising and renewing the International Wheat Agreement, in the English, French, and Spanish languages, which was open for signature in Washington April 13 to 27, inclusive, 1953, and was signed during that period on behalf of the Government of the United States of America and the governments of 44 other countries.

The purposes and provisions of the agreement are set forth in greater detail in the enclosed report of the Acting Secretary of State and in the summary enclosed therewith.

Attention is invited particularly to the final paragraph of the report of the Acting Secretary of State. It is my hope that the Senate will find it possible to give early consideration to the agreement so that, if the agreement be approved, final action by this Government with respect thereto may be taken by July 15.

DWIGHT D. EISENHOWER.

(Enclosures: (1) Report of the Acting Secretary of State, with enclosed summary of principal provisions; (2) agreement revising and renewing the International Wheat Agreement.)

DEPARTMENT OF STATE,
Washington, May 29, 1953.

The PRESIDENT,
The White House:

The undersigned, the Acting Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if the President approve thereof, a certified copy of the agreement revising and renewing the International Wheat Agreement, in the English, French, and Spanish languages, open for signature in Washington April 13 to 27, inclusive, 1953, and signed during that period by plenipotentiaries of the Government of the United States of America and plenipotentiaries of the governments of 3 other exporting countries, namely, Australia, Canada and France, and of 41 importing countries.

The agreement submitted herewith is intended to continue for a period of 3 years, to the end of July 1956, with certain modifications, the arrangements with respect to international purchases and sales of wheat established by the International Wheat Agreement which was open for signature in Washington March 23 to April 15, inclusive, 1949. The Senate gave its advice and consent to ratification of the 1949 agreement on June 13, 1949, the President ratified it and the United States instrument of ratification was deposited on June 17, 1949. That agreement entered into force on July 1, 1949, except as to part 2 and on August 1, 1949, as to part 2 (S. Ex. M, 81st Cong., 1st sess.; Treaties and Other International Acts Series 1937; 63 Stat., pt. 2, 2173).

The 1949 agreement was designed to—

overcome the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat—

and to—

assure supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices.

That agreement was the result of exploration by governments since the early 1930's of the possibility of creating more stable conditions in world wheat markets, and since the early 1940's of more active consideration of a multilateral wheat agreement.

Public hearings with respect to the 1949 agreement were held in May 1949 before a subcommittee of the Senate Committee on Foreign Relations. The committee, in reporting favorably on that agreement (S. Ex. Rept. No. 7, 81st Cong., 1st sess.), stated as follows:

The Committee on Foreign Relations is of the view that the international wheat agreement meets the wishes of the farmers and is in the national interest.

It is pertinent to mention also that on August 6, 1948, the Senate Committee on Foreign Relations, in reporting on a similar International Wheat Agreement which had been signed in 1948, stated that it was—

the committee's earnest belief that the principle of surplus marketing by international agreement is sound—

and that—

it wishes to encourage this objective (S. Ex. Rept. No. 12, 80th Cong., 2d sess.).

The 1949 agreement, by its own terms, expires at the end of July 1953. There are at present 46 countries parties to that agreement, including 4 exporting countries (the United States, Australia, Canada, and France) and 42 importing countries.

The 1949 agreement set up an International Wheat Council, with carefully delimited functions, to administer the terms of the agreement. Among the functions of the Council is that of communicating to the member governments "recommendations regarding the renewal of this agreement."

In April and May 1952, at the Council's eighth session in London, the Council engaged in discussions for the purpose of drawing up recommendations regarding renewal. The Council could not then agree on specific recommendations for modifications to be made in the agreement and resolved that the eighth session should be resumed at a later date to develop final recommendations to member governments.

The resumed eighth session convened in Washington on February 2, 1953. After prolonged negotiations, representatives of importing countries and of exporting countries reached acceptable compromises. A draft agreement was drawn up revising and renewing the International Wheat Agreement. By a resolution adopted at the final meeting on April 13, 1953, the Council recommended that member governments become signatories.

During the period allowed for signature, April 13 through April 27, the revised agreement was signed on behalf of all the governments represented in the Council except the United Kingdom, which did not concur in the revised maximum price written into the new agreement.

The agreement submitted herewith was signed on behalf of the United States by Secretary of Agriculture Ezra Taft Benson and Under Secretary of Agriculture True D. Morse under plenipotentiary authority issued to them by the President. Under Secretary Morse was chairman of the United States delegation which participated in the negotiations. The Secretary of Agriculture has informed the Acting Secretary of State that the Department of Agriculture concurs in the recommendation that the agreement be transmitted to the Senate for advice and consent to ratification.

As in the case of the 1949 agreement, the purpose of this agreement is to provide an assured market to wheat-exporting countries at the specified minimum price and assured supplies for wheat-importing countries at a specified maximum price, while maintaining the largest possible degree of flexibility between these prices and avoiding interference with private trade and with the internal policies and programs of member countries. A number of importing countries are signatories to the new agreement which were not included among the original signatories to the 1949 agreement. These became parties to that

agreement by accession after it went into force. The most important potential change in the scope of the agreement arises from the failure of the United Kingdom to become a signatory to the new agreement. As further explained below, the terms of the agreement make it possible for the United Kingdom to participate through accession after the agreement enters into force. If it should fail to do so, however, the agreement provides for an adjustment in quotas so that the quantitative obligations of the exporters will be equal to those of the importers.

As in the 1949 agreement, the basic obligation incurred by each exporting country is to deliver a specified quantity of wheat at the maximum price in the agreement, and that of each importing country is to purchase a specified quantity of wheat at the minimum price. In both cases these obligations come into effect only after action by the Council and are subject to certain safeguards specified in the agreement.

While the basic nature of the obligations and rights acquired by the United States in this agreement is thus essentially the same as in the 1949 agreement, the new agreement involves a larger quantity of wheat for the United States and a substantial improvement in the maximum and minimum prices it may receive.

Since the 1949 agreement expires July 31, 1953, and since it is necessary that the Council begin to function under the new agreement before that date in order to prevent a serious lapse in the program, it is important that at least the major signatories accept the agreement before July 15.

There is attached herewith a summary of the more important provisions of the agreement, with particular emphasis on those provisions that differ from the provisions in the 1949 agreement. In order to facilitate reference to particular provisions, however, the following brief summary of the structure of the agreement is included.

Apart from the preamble, the agreement is divided into 5 parts with 23 articles.

Part 1 (General) includes the brief statement of objectives and an article giving definitions of numerous terms found in the agreement.

Part 2 (rights and obligations) specifies the guaranteed purchases and guaranteed sales and rules regarding the recording of transactions against guaranteed quantities, the enforcement of rights, the basic maximum and minimum prices, the maintenance of stocks, and reporting requirements.

Part 3 (adjustment of guaranteed quantities) stipulates various procedures for adjustments under varying conditions.

Part 4 (administration) contains provisions relating to the composition and functions of the International Wheat Council, the Executive Committee, the Advisory Committee on Price Equivalents, and the Secretariat, and also provisions relating to the Council's finances and budget, cooperation with other intergovernmental organizations, and procedures for settlement of disputes arising under the agreement.

Part 5 (final provisions) contains the provisions regarding signature, acceptance, entry into force, accession, duration, amendment, withdrawal, and territorial application.

The following paragraphs summarize in greater detail certain aspects of the agreement which merit special attention.

As in the 1949 agreement, paragraph 8 of article III provides that exporting and importing countries shall be free to fulfill their guaranteed quantities through private trade channels and that nothing in the agreement shall be construed to exempt any private trader from any laws or regulations to which he is subject. The agreement does not prescribe means or methods to be adopted to ensure fulfillment of agreement obligations, nor does it require any interference with trade in wheat outside the agreement so long as agreement obligations are met. No level of production is prescribed for an exporting country and the agreement goes no further in the matter of stocks than to provide that "each exporting country shall endeavour to maintain" carryover stocks to fulfill its guaranteed sales. With regard to the determination and administration of internal agricultural and price policies, the member countries (art. VI, par. 8) expressly reserve to themselves complete liberty of action but—

shall endeavour not to operate those policies in such a way as to impede the free movement of prices—

between the maximum and minimum prices in the agreement.

The guaranteed quantities of importing countries represent the quantities which those countries may be required by the Council to buy at the minimum price from the exporting countries as a group and within the guaranteed quantity of each. The guaranteed quantities of the exporting countries represent the quantities which those countries may be required by the Council to sell at the maximum price to the importing countries as a group within the guaranteed quantity of each. The obligation of exporters to sell at the maximum price is thus matched by a right to sell the same quantity at the minimum.

Action of the Council to prescribe sales and purchases is reserved for the case of an importing country having difficulty in buying its guaranteed quantity at the maximum and of an exporting country having difficulty in selling its guaranteed quantity at the minimum price. Otherwise the function of the Council is that of recording transactions against the guaranteed quantities.

In the new agreement the guaranteed quantity of the United States is 270 million bushels as compared with 168 million when the 1949 agreement entered into force and 253 million at the present time in the 1949 agreement. The increase in the United States quota under the present agreement has taken place as a result of voluntary action to meet requests by importing countries, including those which have acceded to the agreement.

As applied to the current crop year, the prices specified in the 1949 agreement are: maximum \$1.80 per bushel, minimum \$1.20 per bushel. For the duration of the new agreement, the prices specified are: maximum \$2.05, minimum \$1.55.

The renegotiation of the agreement has resulted in a redistribution of quotas which is believed to accord more closely with the requirements and the ability to perform of the respective signatories. A number of importing countries voluntarily reduced their guaranteed quantities, while many others secured larger quotas more nearly covering the quantities they wish to import under the agreement.

Apart from these changes in quantities and prices certain changes in the text of the agreement, while not altering its basic character, merit specific mention. These changes include a limitation of the carrying

charges which a buyer must sustain (art. VI); provision in certain circumstances for consultation by the Council with an advisory panel before deciding disputes (art. XIX); qualified recognition of the principle that importing countries should not resell wheat secured at the maximum price through action of the Council (art. V); and an additional provision to discourage possible abuses of the short-crop and balance-of-payments safeguards (art. X).

While the agreement was not signed on behalf of the United Kingdom within the period provided by its terms, that country can nevertheless accede to the agreement subsequent to its entry into force on July 15 by a two-thirds vote of exporting countries and a two-thirds vote of importing countries. The agreement also provides in article XXII that if any exporting country considers its interests to be seriously prejudiced by nonparticipation or withdrawal of an importing country responsible for a quota of more than 5 percent of the total in the agreement, such country may withdraw before August 1 by notification to the United States Government. An importing country is accorded this same privilege upon nonparticipation or withdrawal of an exporting country. The quota established for the United Kingdom represented about 30 percent of the aggregate quantity of the importers.

If the United Kingdom fails to take advantage of the privilege of acceding to the agreement or if any of the signatories fails to ratify, article IX provides a mechanism for the redistribution by the Council of guaranteed quantities to balance the total of the guaranteed quantities of exporters with those of importers. This redistribution would be made by a pro rata reduction of the guaranteed quantities of exporters or importers unless the Council should decide otherwise by a vote of two-thirds of the exporters and two-thirds of the importers.

The agreement was signed for Australia with a reservation which, in effect, declared its intention to take advantage of the withdrawal provisions (art. XXII) under certain circumstances unless a satisfactory adjustment in Australia's guaranteed quantity is made under article IX. The agreement was signed for Peru with an understanding that Peru's quota should be increased to a specified amount as originally requested to cover "bare necessities."

Article XX provides that the agreement shall be subject to acceptance by the signatory governments in accordance with their respective constitutional procedures. It is provided further that parts 1, 3, 4, and 5 shall enter into force on July 15, 1953, provided that, by that date, the governments of importing countries responsible for not less than 50 percent of the guaranteed purchases and the governments of exporting countries responsible for not less than 50 percent of the guaranteed sales have accepted the agreement. Part 2 of the agreement, which applies to rights and obligations, is to come into force on August 1 (upon expiration of the 1949 agreement) for governments which have ratified the agreement.

On the side of the exporting countries, the acceptances of the United States and either Australia or Canada or acceptance by Australia and Canada would suffice to bring the agreement into force. The total guaranteed quantity, both as to exporting and importing countries, is specified (annexes to art. III) as 595,542,052 bushels per crop year. The guaranteed sales indicated for the United States and Canada represent the greater part of the total,

namely, the United States 270,174,615, Canada 250,000,000. On the side of the importing countries, without the United Kingdom, with its quantity of 177 million bushels among the signatories, acceptances by the 12 signatories having the largest guaranteed quantities (purchases) apart from the United Kingdom (10,000,000 or more bushels each) would suffice to bring the agreement into force.

The long period of negotiation and the need to bring the new agreement into force in time to succeed immediately to the present agreement have limited the time available for obtaining the advice and consent of the Senate. Certified copies of the agreement could not be prepared until after the closing date for signature. It is hoped that the Senate may find it possible to give expeditious consideration to the new agreement herewith submitted, in order that an instrument of acceptance may be executed and deposited on behalf of the United States before July 15.

Respectfully submitted.

WALTER B. SMITH,
Acting Secretary.

(Enclosures: (1) Summary of principal provisions; (2) agreement revising and renewing the International Wheat Agreement.)

INTERNATIONAL WHEAT AGREEMENT

SUMMARY OF PRINCIPAL PROVISIONS

[Portions of text italicized indicate most important changes from or additions to 1949 agreement]

PART 1. GENERAL

ARTICLE I—OBJECTIVES

The objectives of the Agreement are to assure supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices.

ARTICLE II—DEFINITIONS

Various terms used in the text of the Agreement are here defined.

PART 2. RIGHTS AND OBLIGATIONS

ARTICLE III—GUARANTEED PURCHASES AND GUARANTEED SALES

Article III relates to guaranteed purchases at the minimum price and guaranteed sales at the maximum price and includes in Annexes A and B listings of the guaranteed quantities of importing and exporting countries, respectively.

This Article brings out that specific obligations of importing countries to buy or of exporting countries to sell exist only when such countries are required by the Council upon application of a member country to do so at prices consistent with the minimum and maximum prices, respectively, which are specified in the Agreement.

The amount of wheat-flour to be supplied and accepted against the guaranteed quantities is to be determined by agreement between the

buyer and seller in each transaction, subject to referral of the matter to the Council for decision in case of disagreement between an exporting country and an importing country.

Exporting and importing countries are to be free to fulfill their guaranteed quantities through private trade channels or otherwise.

Purchases by importing countries are limited to 90 percent of their guaranteed quantities up until February 28 of any crop year except by permission of the Council (this provision is intended to enable the Council under Article X to make adjustments in case of reduced availability to the Agreement resulting from a short crop in an exporting country).

ARTICLE IV—RECORDING OF TRANSACTIONS AGAINST GUARANTEED QUANTITIES

Article IV provides for the procedure to be followed for entering as to each crop year in the records of the Council information about transactions in wheat and wheat-flour which come within the price limits specified in the Agreement and are intended to count against guaranteed quantities.

Transactions are eligible for recording which have been entered into before the deposit of its instrument of acceptance by either or both of the countries concerned.

The Council may authorize recording of transactions specifying a loading period of up to one month before the beginning or after the end of the crop year if the importing and exporting countries concerned agree.

Recordings under the Agreement may be challenged by the importing or exporting countries concerned and the matter reviewed by the Council. Recorded quantities may also be reduced if the full quantity can not be delivered within the crop year. A recording against the guaranteed quantity of an importing country may be shifted to apply to that of a second importing country to which the wheat is resold.

ARTICLE V—ENFORCEMENT OF RIGHTS

Article V, relating to enforcement of rights, establishes the procedure to be followed when any contracting country finds difficulty in purchasing or selling its unfulfilled guaranteed quantity for any crop year at the maximum or minimum price, respectively. Enforcement is through the Council which decides the quantities (and, if requested, also the quality and grade or the proportion to be in the form of flour), which individual exporting countries shall sell to an importing country or the importing countries shall buy from an exporting country.

The Council shall make such decision in the case of application by an importing country "after receiving assurance, if requested, that the wheat-grain or wheat-flour is to be used for consumption in the importing country or for normal or traditional trade".

ARTICLE VI—PRICES

Basic minimum and maximum prices are fixed at \$1.55 and \$2.05 on No. 1 Manitoba Northern wheat in store at Fort William/Port Arthur. As in the 1949 Agreement, these specified prices are made exclusive of such carrying charges and marketing costs as may be agreed between the buyer and seller. However, there was added to the new Agree-

ment the following important provision limiting the scope of the carrying charge:

"Carrying charges as agreed between the buyer and seller may accrue for the buyer's account only after an agreed date specified in the contract under which the wheat is sold."

Formulae are indicated in Article VI for determining, with reference to the basic grade and the basing point mentioned above, equivalent maximum prices for wheat at Vancouver and at *Port Churchill*, Canada, at Australian and French ports, and at Gulf, Atlantic and Pacific ports in the United States. In the case of United States wheat, such allowances are to be made for differences in quality as may be agreed between the exporting country and the importing country concerned. Where transportation costs are a factor in the calculation of equivalents the Agreement provides that the price be "computed by using currently prevailing transportation costs". Likewise, in all price equivalent determinations, currently prevailing exchange rates are to be used.

It is further provided in Article VI that the determination of price equivalents for other descriptions of wheat than those mentioned above, *determination of minimum and maximum price equivalents for wheat at other points than those specified above*, adjustments in already established price equivalents, and settlement of disputes concerning appropriate premiums or discounts may be effected by the Executive Committee in consultation with the Advisory Committee on Price Equivalents.

Both the exporting and importing countries also agree, while reserving complete liberty of action in the determination and administration of their internal agricultural and price policies, to endeavor not to operate those policies in such a way as to impede the free movement of prices between the maximum and minimum.

ARTICLE VII—STOCKS

Article VII provides that each exporting country shall endeavor to maintain stocks of old crop wheat at the end of its crop-year adequate to ensure fulfillment of its guaranteed sales in the subsequent crop-year and that importing countries shall endeavor to maintain adequate stocks at all times to avoid disproportionate purchases at the beginning and end of a crop-year which might prejudice the stabilization of wheat prices and make the fulfillment of obligations of all exporting and importing countries difficult.

ARTICLE VIII—INFORMATION TO BE SUPPLIED TO THE COUNCIL

Article VIII makes it obligatory for countries party to the Agreement to report to the Council information which it may request in connection with the administration of the Agreement.

PART 3. ADJUSTMENT OF GUARANTEED QUANTITIES

ARTICLE IX—ADJUSTMENTS IN CASE OF NONPARTICIPATION OR WITHDRAWAL OF COUNTRIES

Article IX provides, in the cases of failure of some country or countries to sign the Agreement, failure to deposit an instrument accepting the Agreement, withdrawal, expulsion, or default, for adjustment of the remaining guaranteed quantities in order that the total of guaranteed exports and the total of the guaranteed imports (as given in Annexes A and B of Article III) may be equal.

ARTICLE X—ADJUSTMENT IN CASE OF SHORT CROP OR NECESSITY TO SAFEGUARD BALANCE OF PAYMENTS OR MONETARY RESERVES

Article X provides for the procedure to be followed in effecting adjustments in guaranteed quantities if a short crop in an exporting country or necessity to safeguard balance of payments or monetary reserves in an importing country threatens to prevent the fulfillment of obligations under the Agreement in a particular crop-year. The Article provides that, in the case of relief from obligations sought by importing countries because of balance of payments difficulties, the opinion of the International Monetary Fund be sought.

The Council is also instructed in dealing with requests for relief to adhere to the principle that member countries to the maximum extent feasible meet their obligations to buy or sell under the Agreement.

Provision is made for exploring the possibility of adjustment by increase in the guaranteed quantities of other countries before the Council has recourse to the expedient of reducing any guaranteed quantities in order to restore a balance between guaranteed exports and guaranteed imports.

ARTICLE XI—ADJUSTMENTS OF GUARANTEED QUANTITIES BY CONSENT

Provision is here made for simultaneous increases by exporting and importing countries for the remaining period of the Agreement.

Transfers may also be made of parts of their guaranteed quantities between exporting or between importing countries for one or more crop years subject to approval by a majority of the votes cast by the importing and a majority of votes cast by the exporting countries.

Accessions of new member countries may be accommodated by reductions in the quantities of importing countries or increases in the quantities of exporting countries.

ARTICLE XII—ADDITIONAL PURCHASES IN CASE OF CRITICAL NEED

Article XII enables the Council by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries to come to the assistance of an importing country in critical need of supplies of wheat in addition to its guaranteed purchases by reducing pro rata the guaranteed quantities of the other importing countries.

PART 4. ADMINISTRATION

ARTICLE XIII—THE COUNCIL

The Wheat Council established by the 1949 Agreement shall continue in being for the purpose of administering the new Agreement.

Provision is made for non-voting representation by such inter-governmental organizations as the Council may decide to invite.

This Article also outlines the powers and functions of the Council and indicates the circumstances under which the exercise of such powers and functions may be delegated and revoked.

Decisions are reached by weighted voting in the Council, exporting countries as a group and importing countries as a group having each 1,000 votes and the number of votes of each country being proportionate to its guaranteed quantity. Voting by proxy is possible.

The votes may also be adjusted at any session of the Council, when all member countries are not officially represented or have not arranged for a proxy, to place the importing countries and the exporting countries on an equal footing.

Voluntary reductions accepted by importing or exporting countries to restore the balance between exporter and importer quantities in the case of release from part of its obligations of a member country under Article X 6 (b) shall not result in reduction of the voting power of such countries. A like exemption is given to any country relinquishing part of its quota to another country for only one crop-year under Article XI, paragraph 2.

Other matters such as the number and time of sessions, quorum, and legal capacity of the Council are covered in Article XIII.

Each exporting and importing country undertakes to accept as binding all decisions of the Council under the provisions of the Agreement.

ARTICLE XIV—EXECUTIVE COMMITTEE

Article XIV requires the Council to elect annually an Executive Committee to be responsible to and to work under the general direction of the Council. Members thereof shall be three exporting countries elected by the exporting countries as in the old Agreement, and *not more than eight importing countries* (as compared to seven in the old Agreement) elected by the importing countries. The Executive Committee is responsible to and works under the direction of the Council, its powers and functions being either directly assigned under the Agreement or delegated to it by the Council. It is prescribed that exporting countries represented on the Executive Committee have together the same total number of votes as do importing countries and that in each of these groups no one country shall have more than forty percent of the votes.

ARTICLE XV—ADVISORY COMMITTEE ON PRICE EQUIVALENTS

Article XV requires that the Council establish an Advisory Committee on Price Equivalents consisting of representatives of three exporting and three importing countries to advise the Council and the Executive Committee regarding the establishment or revision of price equivalents and other matters pertaining to factors involved in the calculation of prices under the Agreement.

ARTICLE XVI—THE SECRETARIAT

Article XVI provides that the Council shall have a Secretariat with a Secretary appointed by the Council and a staff to be appointed in accordance with regulations established by the Council.

ARTICLE XVII—FINANCE

Article XVII specifies that the expense of delegations to the Council, of representatives on the Executive Committee, and of representatives on the Advisory Committee on Price Equivalents shall be met by their respective Governments, but that other expenses necessary for the administration of the Agreement shall be met by annual contributions from the exporting and importing countries. The contribution of each such country for each crop-year *shall be in the proportion which its guaranteed quantity bears to the total guaranteed sales or purchases at the beginning of that crop-year.* The initial contribution of a country *acceding to the Agreement shall be assessed on the basis of the guaranteed quantity and the period remaining in the current crop-year but assessments of other member countries shall not be altered for that crop-year.* Default in paying contributions assessed shall result in forfeiture by the defaulting country of its voting rights until the contribution is paid, although not in loss of its other rights or in release from obligations under the Agreement.

ARTICLE XVIII—COOPERATION WITH OTHER INTERGOVERNMENTAL ORGANIZATIONS

Article XVIII, wording of which is only slightly changed from that of the old Agreement, enables the Council to make arrangements for consultation and cooperation with appropriate organs of the United Nations and its specialized agencies and with other intergovernmental organizations. It also directs the Council, in case any terms of the Agreement are materially inconsistent with requirements which may be laid down by the United Nations or appropriate organs and agencies thereof regarding commodity agreements, to consider amendment of the Agreement.

ARTICLE XIX—DISPUTES AND COMPLAINTS

Article XIX provides, as in the old Agreement, for decision by the Council. *However, there have been added provisions enabling a majority of countries or countries holding not less than one-third of the total 2,000 votes to require the Council, after full discussion, to seek the opinion of an advisory panel composed, unless unanimously agreed otherwise by the Council, of five qualified persons acting in their personal capacities and without instructions from any Government. The Council is to decide the dispute after receiving the opinion of the panel and considering all relevant information.*

Article XIX follows the old Agreement in its provisions concerning decision by the Council on a complaint that a country has failed to fulfill its obligations. A finding for breach of agreement requires a majority of the votes held by importing and a majority held by exporting countries. The Council may, by a like vote, deprive a country found to be in breach of the Agreement of its voting rights until it fulfills its obligations or expel it from the Agreement.

PART 5. FINAL PROVISIONS

ARTICLE XX—SIGNATURE, ACCEPTANCE, AND ENTRY INTO FORCE

Article XX prescribes a period for signing *up to April 27* and thereafter for the deposit of instruments of acceptance with the Government of the United States by signatory Governments *up to July 15*. *Notification to the United States Government by July 15 of intention to accept the Agreement followed by deposit of an instrument by August 1 shall be deemed to constitute acceptance on July 15, 1953.*

If Governments of signatory exporting countries responsible for *not less than 50 percent* of the total quantity in the Agreement and Governments of importing countries responsible for *not less than 50 percent* of the quantity have accepted *by July 15*, Parts 1, 3, 4, and 5 of the Agreement enter into force on that date and Part 2 on *August 1* for Governments who have accepted the Agreement.

Signatory Governments which have not accepted the Agreement *by July 15* may be granted an extension of time thereafter by the Council for depositing an instrument of acceptance.

ARTICLE XXI—ACCESSION

Article XXI provides that the Council may by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries approve accession to the Agreement on the part of any Government not already a party and prescribe conditions for accession.

ARTICLE XXII—DURATION, AMENDMENT, WITHDRAWAL, AND TERMINATION

Article XXII fixes the terminus of the Agreement at *July 31, 1956* and stipulates that the Council *at such time as it considers appropriate* shall communicate to the contracting governments its recommendations regarding the renewal of the Agreement.

The Council may by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries recommend to the participating countries an amendment to the Agreement. Such an amendment shall become effective if accepted by countries holding two-thirds of the votes held by the exporting countries and two-thirds held by the importing countries.

Any exporting or importing country which considers its interests to be prejudiced by nonparticipation in or withdrawal from the Agreement of any country listed in either Annex A or Annex B of Article III responsible for more than five percent of the guaranteed quantities in the Annex may withdraw from the Agreement by giving written notice of withdrawal to the Government of the United States *before August 1, 1953*.

Any country which considers its national security to be endangered by the outbreak of hostilities may withdraw from the Agreement by giving thirty days' written notice.

ARTICLE XXIII—TERRITORIAL APPLICATION

Article XXIII deals with territorial application of the Agreement and provides that any government may declare that its rights and obligations under the Agreement do not apply in respect of all or any of the overseas territories for the foreign relations of which it is responsible. In the absence of such a declaration its rights and obligations under the Agreement apply in respect of all its territories.

AGREEMENT REVISING AND RENEWING THE
INTERNATIONAL WHEAT AGREEMENT

The Governments signatory to this Agreement,

Considering that the International Wheat Agreement which was opened for signature at Washington on March 23, 1949 was entered into in order to overcome the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat, and

Considering that it is desirable that the International Wheat Agreement be renewed, with certain modifications, for a further period, and

Having decided to conclude for that purpose this Agreement revising and renewing the International Wheat Agreement,
Have agreed as follows:

PART 1—GENERAL

ARTICLE I—OBJECTIVES

The objectives of this Agreement are to assure supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices.

ARTICLE II—DEFINITIONS

1. For the purposes of this Agreement:

“Advisory Committee on Price Equivalents” means the Committee established under Article XV.

“Bushel” means sixty pounds avoirdupois.

“Carrying charges” means the costs incurred for storage, interest and insurance in holding wheat.

“C. & f.” means cost and freight.

“Council” means the International Wheat Council established by Article XIII.

“Crop-year” means the period from August 1 to July 31, except that in Article VII it means in respect of Australia the period from December 1 to November 30 and in respect of the United States of America the period from July 1 to June 30.

“Executive Committee” means the Committee established under Article XIV.

“Exporting country” means, as the context requires, either (i) the Government of a country listed in Annex B to Article III which has accepted or acceded to this Agreement and has not

withdrawn therefrom, or (ii) that country itself and the territories in respect of which the rights and obligations of its Government under this Agreement apply.

"F. a. q." means fair average quality.

"F. o. b." means free on board ocean vessel.

"Guaranteed quantity" means in relation to an importing country its guaranteed purchases for a crop-year and in relation to an exporting country its guaranteed sales for a crop-year.

"Importing country" means, as the context requires, either (i) the Government of a country listed in Annex A to Article III which has accepted or acceded to this Agreement and has not withdrawn therefrom, or (ii) that country itself and the territories in respect of which the rights and obligations of its Government under this Agreement apply.

"Marketing costs" means all usual charges incurred in procurement, marketing, chartering, and forwarding.

"Metric ton" means 36.74371 bushels.

"Old crop wheat" means wheat harvested more than two months prior to the beginning of the current crop-year of the exporting country concerned.

"Territory" in relation to an exporting or importing country includes any territory in respect of which the rights and obligations under this Agreement of the Government of that country apply under Article XXIII.

"Transaction" means a sale for import into an importing country of wheat exported or to be exported from an exporting country, or the quantity of such wheat so sold, as the context requires. Where reference is made in this Agreement to a transaction between an exporting country and an importing country, it shall be understood to refer not only to transactions between the Government of an exporting country and the Government of an importing country but also to transactions between private traders and to transactions between a private trader and the Government of an exporting or an importing country. In this definition "Government" shall be deemed to include the Government of any territory in respect of which the rights and obligations of any Government accepting or acceding to this Agreement apply under Article XXIII.

"Unfulfilled guaranteed quantity" means, in the case of an exporting country, the difference between the quantities entered in the Council's records in accordance with Article IV in respect of that country for a crop-year and its guaranteed sales for that crop-year and, in the case of an importing country, the difference between the quantities entered in the Council's records in accordance with Article IV in respect of that country for a crop-year and that portion of its guaranteed purchases for that crop-year which it is, at the relevant time, entitled to purchase having regard to paragraph 9 of Article III.

"Wheat" includes wheat grain and, except in Article VI, wheat-flour.

2. Seventy-two units by weight of wheat-flour shall be deemed to be equivalent to one hundred units by weight of wheat grain in all calculations relating to guaranteed purchases or guaranteed sales, unless the Council decides otherwise.

PART 2—RIGHTS AND OBLIGATIONS

ARTICLE III—GUARANTEED PURCHASES AND GUARANTEED SALES

1. The quantities of wheat set out in Annex A to this Article for each importing country represent, subject to any increase or reduction made in accordance with the provisions of Part 3 of this Agreement, the guaranteed purchases of that country for each of the three crop-years covered by this Agreement.

2. The quantities of wheat set out in Annex B to this Article for each exporting country represent, subject to any increase or reduction made in accordance with the provisions of Part 3 of this Agreement, the guaranteed sales of that country for each of the three crop-years covered by this Agreement.

3. The guaranteed purchases of an importing country represent the maximum quantity of wheat which, subject to deduction of the amount of the transactions entered in the Council's records in accordance with Article IV against those guaranteed purchases,

(a) that importing country may be required by the Council, as provided in Article V, to purchase from the exporting countries at prices consistent with the minimum prices specified in or determined under Article VI, or

(b) the exporting countries may be required by the Council, as provided in Article V, to sell to that importing country at prices consistent with the maximum prices specified in or determined under Article VI.

4. The guaranteed sales of an exporting country represent the maximum quantity of wheat which, subject to deduction of the amount of the transactions entered in the Council's records in accordance with Article IV against those guaranteed sales,

(a) that exporting country may be required by the Council, as provided in Article V, to sell to the importing countries at prices consistent with the maximum prices specified in or determined under Article VI, or

(b) the importing countries may be required by the Council, as provided in Article V, to purchase from that exporting country at prices consistent with the minimum prices specified in or determined under Article VI.

5. If an importing country finds difficulty in exercising its right to purchase its unfulfilled guaranteed quantity at prices consistent with the maximum prices specified in or determined under Article VI or an exporting country finds difficulty in exercising its right to sell its unfulfilled guaranteed quantity at prices consistent with the minimum prices so specified or determined, it may have resort to the procedure in Article V.

6. Exporting countries are under no obligation to sell any wheat under this Agreement unless required to do so as provided in Article V at prices consistent with the maximum prices specified in or determined under Article VI. Importing countries are under no obligation to purchase any wheat under this Agreement unless required to do so as provided in Article V at prices consistent with the minimum prices specified in or determined under Article VI.

7. The quantity, if any, of wheat-flour to be supplied by the exporting country and accepted by the importing country against their respective guaranteed quantities shall, subject to the provisions of Article V, be determined by agreement between the buyer and seller in each transaction.

8. Exporting and importing countries shall be free to fulfill their guaranteed quantities through private trade channels or otherwise. Nothing in this Agreement shall be construed to exempt any private trader from any laws or regulations to which he is otherwise subject.

9. No importing country shall, without the permission of the Council, purchase under this Agreement more than ninety per cent of its guaranteed quantity for any crop-year before February 28 of that crop-year.

ANNEX A TO ARTICLE III

Guaranteed Purchases

Crop-year August 1 to July 31	1953/54	1954/55	1955/56	Equivalent in bushels for each crop-year
	Thousands of metric tons			
Austria.....	250	250	250	9,185,927
Belgium.....	615	615	615	22,597,382
Bolivia.....	95	95	95	3,490,652
Brazil.....	360	360	360	13,227,736
Ceylon.....	255	255	255	9,369,646
Costa Rica.....	35	35	35	1,286,030
Cuba.....	202	202	202	7,422,229
Denmark.....	50	50	50	1,837,185
Dominican Republic.....	26	26	26	955,336
Ecuador.....	35	35	35	1,286,030
Egypt.....	400	400	400	14,697,484
El Salvador.....	20	20	20	734,874
Federal Republic of Germany.....	1,500	1,500	1,500	55,115,565
Greece.....	350	350	350	12,860,299
Guatemala.....	25	25	25	918,593
Haiti.....	45	45	45	1,653,467
Honduras.....	15	15	15	551,156
Iceland.....	11	11	11	404,181
India.....	1,500	1,500	1,500	55,115,565
Indonesia.....	142	142	142	5,217,607
Ireland.....	275	275	275	10,104,520
Israel.....	215	215	215	7,899,898
Italy.....	850	850	850	31,232,154
Japan.....	1,000	1,000	1,000	36,743,710
Lebanon.....	75	75	75	2,755,778
Liberia.....	2	2	2	73,487
Mexico.....	415	415	415	15,248,640
Netherlands.....	675	675	675	24,802,004
New Zealand.....	160	160	160	5,878,994
Nicaragua.....	10	10	10	367,437
Norway.....	230	230	230	8,451,053
Panama.....	20	20	20	734,874
Peru.....	185	185	185	6,797,586
Philippines.....	236	236	236	8,671,515
Portugal.....	175	175	175	6,430,149
Saudi Arabia.....	60	60	60	2,204,623
Spain.....	145	145	145	5,327,838
Sweden.....	25	25	25	918,593
Switzerland.....	215	215	215	7,899,898
Union of South Africa.....	320	320	320	11,757,987
United Kingdom.....	4,819	4,819	4,819	177,067,939
Venezuela.....	170	170	170	6,246,431
Total (42 countries).....	16,208	16,208	16,208	595,542,052

ANNEX B TO ARTICLE III

Guaranteed Sales

Crop-year August 1 to July 31	1953/54	1954/55	1955/56	Equivalent in bushels for each crop-year
	Thousands of metric tons			
Australia*-----	2,041	2,041	2,041	75,000,000
Canada-----	6,804	6,804	6,804	250,000,000
France-----	10	10	10	367,437
United States of America-----	7,353	7,353	7,353	270,174,615
Total-----	16,208	16,208	16,208	595,542,052

*In the event of the provisions of Article X being invoked by Australia by reason of a short crop, it will be recognized that certain markets, by virtue of their geographical position, are traditionally dependent upon Australia for the supply of their requirements of wheat grain and wheat-flour. The necessity of meeting these requirements will be one of the factors to be taken into account by the Council in determining the ability of Australia to deliver its guaranteed sales under this Agreement in any crop-year.

ARTICLE IV—RECORDING OF TRANSACTIONS AGAINST GUARANTEED QUANTITIES

1. The Council shall keep records for each crop-year of those transactions and parts of transactions in wheat which are part of the guaranteed quantities in Annexes A and B to Article III.

2. A transaction or part of a transaction in wheat grain between an exporting country and an importing country shall be entered in the Council's records against the guaranteed quantities of those countries for a crop-year:

(a) provided that (i) it is at a price not higher than the maximum nor lower than the minimum specified in or determined under Article VI for that crop-year, and (ii) the exporting country and the importing country have not agreed that it shall not be entered against their guaranteed quantities; and

(b) to the extent that (i) both the exporting and the importing country concerned have unfulfilled guaranteed quantities for that crop-year, and (ii) the loading period specified in the transaction falls within that crop-year.

3. A transaction or part of a transaction for the purchase and sale of wheat shall be eligible for entry in the Council's records against the guaranteed quantities of the exporting and importing countries concerned on the conditions specified in this Article, notwithstanding that the transaction has been entered into before the deposit of its instrument of acceptance of this Agreement by either or both of those countries.

4. If a commercial contract or governmental agreement on the sale and purchase of wheat-flour contains a statement, or if the exporting country and the importing country concerned inform the Council that they are agreed, that the price of such wheat-flour is consistent with the prices specified in or determined under Article VI, the wheat grain equivalent of such wheat-flour shall, subject to the conditions prescribed in (a) (ii) and (b) of paragraph 2 of this Article, be entered in the Council's records against the guaranteed quantities of those countries. If the commercial contract or governmental agreement does not contain a statement of the nature referred to above and the exporting

country and the importing country concerned do not agree that the price of the wheat-flour is consistent with the prices specified in or determined under Article VI, either of those countries may, unless they have agreed that the wheat grain equivalent of that wheat-flour shall not be entered in the Council's records against their guaranteed quantities, request the Council to decide the issue. Should the Council, on consideration of such a request, decide that the price of such wheat-flour is consistent with the prices specified in or determined under Article VI, the wheat grain equivalent of the wheat-flour shall be entered against the guaranteed quantities of the exporting and importing countries concerned, subject to the conditions prescribed in (b) of paragraph 2 of this Article. Should the Council, on consideration of such a request, decide that the price of such wheat-flour is inconsistent with the prices specified in or determined under Article VI, the wheat grain equivalent of the wheat-flour shall not be so entered.

5. Provided that the conditions prescribed in paragraphs 2 or 4 of this Article, other than that in (b) (ii) of paragraph 2, are satisfied, the Council may authorize transactions to be recorded against guaranteed quantities for a crop-year if (a) the loading period specified in the transaction is within a reasonable time up to one month, to be decided by the Council, before the beginning or after the end of that crop-year, and (b) the exporting and importing country concerned so agree.

6. The Council shall prescribe rules of procedure, in accordance with the following provisions, for the reporting and recording of transactions which are part of the guaranteed quantities:

(a) Any transaction or part of a transaction, between an exporting country and an importing country, qualifying under paragraph 2, 3, or 4 of this Article to form part of the guaranteed quantities of those countries shall be reported to the Council within such period and in such detail and by one or both of those countries as the Council shall lay down in its rules of procedure.

(b) Any transaction or part of a transaction reported in accordance with the provisions of subparagraph (a) shall be entered in the Council's records against the guaranteed quantities of the exporting country and the importing country between which the transaction is made.

(c) The order in which transactions and parts of transactions shall be entered in the Council's records against the guaranteed quantities shall be prescribed by the Council in its rules of procedure.

(d) The Council shall, within a time to be prescribed in its rules of procedure, notify each exporting country and each importing country of the entry of any transaction or part of a transaction in the Council's records against their guaranteed quantities.

(e) If, within a period which the Council shall prescribe in its rules of procedure, the importing country or the exporting country concerned objects in any respect to the entry of a transaction or part of a transaction in the Council's records against its guaranteed quantity, the Council shall review the matter and, if it decides that the objection is well founded, shall amend its records accordingly.

(f) If any exporting or importing country considers it probable that the full amount of wheat already entered in the Council's records against its guaranteed quantity for the current crop-year will not be loaded within that crop-year, that country may request the Council to make appropriate reductions in the amounts entered in its records. The Council shall consider the matter and, if it decides that the request is justified, shall amend its records accordingly.

(g) Any wheat purchased by an importing country from an exporting country and resold to another importing country may, by agreement of the importing countries concerned, be entered against the unfulfilled guaranteed purchases of the importing country to which the wheat is finally resold, provided that a corresponding reduction is made in the amount entered against the guaranteed purchases of the first importing country.

(h) The Council shall send to all exporting and importing countries, weekly or at such other interval as the Council may prescribe in its rules of procedure, a statement of the amounts entered in its records against guaranteed quantities.

(i) The Council shall notify all exporting and importing countries immediately when the guaranteed quantity of any exporting or importing country for any crop-year has been fulfilled.

7. Each exporting country and each importing country may be permitted, in the fulfillment of its guaranteed quantity, a degree of tolerance to be prescribed by the Council for that country on the basis of its guaranteed quantity and other relevant factors.

ARTICLE V—ENFORCEMENT OF RIGHTS

1. (a) Any importing country which finds difficulty in purchasing its unfulfilled guaranteed quantity for any crop-year at prices consistent with the maximum prices specified in or determined under Article VI may request the Council's help in making the desired purchases.

(b) Within three days of the receipt of a request under subparagraph (a) the Secretary of the Council shall notify those exporting countries which have unfulfilled guaranteed quantities for the relevant crop-year of the amount of the unfulfilled guaranteed quantity of the importing country which has requested the Council's help and invite them to offer to sell wheat at prices consistent with the maximum prices specified in or determined under Article VI.

(c) If within fourteen days of the notification by the Secretary of the Council under subparagraph (b) the whole of the unfulfilled guaranteed quantity of the importing country concerned, or such part thereof as in the opinion of the Council is reasonable at the time the request is made, has not been offered for sale, the Council shall, as soon as possible, decide:

- (i) the quantities
and also, if requested,
- (ii) the quality and grade

of wheat grain and/or wheat-flour which each or any of the exporting countries is required to offer to sell to that importing country for loading during the relevant crop-year or within such time thereafter, not exceeding one month, as the Council may decide. The Council

shall decide on (i) and (ii) above after receiving an assurance, if requested, that the wheat grain or wheat-flour is to be used for consumption in the importing country or for normal or traditional trade; and in reaching its decision the Council shall also take into account any circumstances which the exporting and the importing countries may submit, including in relation to the proportion of wheat-flour:

(iii) and the industrial programs of any country

(iv) and the normal traditional volume and ratio of imports of wheat-flour and wheat grain and the quality and grade of wheat-flour and wheat grain imported by the importing country concerned.

(d) Each exporting country required by the Council's decision under subparagraph (c) to offer quantities of wheat grain and/or wheat-flour for sale to the importing country shall, within thirty days from the date of that decision, offer to sell those quantities to such importing country for loading during the period provided under subparagraph (c) at prices consistent with the maximum prices specified in or determined under Article VI and, unless those countries agree otherwise, on the same conditions regarding the currency in which payment is to be made as prevail generally between them at that time. If no trade relations have hitherto existed between the exporting country and the importing country concerned and if those countries fail to agree on the currency in which payment is to be made, the Council shall decide the issue.

(e) In case of disagreement between an exporting country and an importing country on the quantity of wheat-flour to be included in a particular transaction being negotiated in compliance with the Council's decision under subparagraph (c), or on the relation of the price of such wheat-flour to the maximum prices of wheat grain specified in or determined under Article VI, or on the conditions on which the wheat grain and/or wheat-flour shall be bought and sold, the matter shall be referred to the Council for decision.

2. (a) Any exporting country which finds difficulty in selling its unfulfilled guaranteed quantity for any crop-year at prices consistent with the minimum prices specified in or determined under Article VI may request the Council's help in making the desired sales.

(b) Within three days of the receipt of a request under subparagraph (a) the Secretary of the Council shall notify those importing countries which have unfulfilled guaranteed quantities for the relevant crop-year of the amount of the unfulfilled guaranteed quantity of the exporting country which has requested the Council's help and invite them to offer to purchase wheat at prices consistent with the minimum prices specified in or determined under Article VI.

(c) If within fourteen days of the notification by the Secretary of the Council under subparagraph (b) the whole of the unfulfilled guaranteed quantity of the exporting country concerned, or such part thereof as in the opinion of the Council is reasonable at the time the request is made, has not been purchased, the Council shall, as soon as possible decide:

(i) the quantities

and also, if requested,

(ii) the quality and grade

of wheat grain and/or wheat-flour which each or any of the importing countries is required to offer to purchase from that exporting country

for loading during the relevant crop-year or within such time thereafter, not exceeding one month, as the Council may decide.

In reaching its decision on (i) and (ii) above, the Council shall take into account any circumstances which the exporting and the importing countries may submit, including in relation to the proportion of wheat-flour:

(iii) the industrial programs of any country
and

(iv) the normal traditional volume and ratio of imports of wheat-flour and wheat grain and the quality and grade of wheat-flour and wheat grain imported by the importing countries concerned.

(d) Each importing country required by the Council's decision under subparagraph (c) to offer to purchase quantities of wheat grain and/or wheat-flour from the exporting country shall, within thirty days from the date of that decision, offer to purchase those quantities from such exporting country for loading during the period provided under subparagraph (c) at prices consistent with the minimum prices specified in or determined under Article VI and, unless those countries agree otherwise, on the same conditions regarding the currency in which payment is to be made as prevail generally between them at that time. If no trade relations have hitherto existed between the exporting country and the importing country concerned and if those countries fail to agree on the currency in which payment is to be made, the Council shall decide the issue.

(e) In case of disagreement between an exporting country and an importing country on the quantity of wheat-flour to be included in a particular transaction being negotiated in compliance with the Council's decision under subparagraph (c), or on the relation of the price of such wheat-flour to the minimum prices of wheat grain specified in or determined under Article VI, or on the conditions on which the wheat grain and/or wheat-flour shall be bought and sold, the matter shall be referred to the Council for decision.

3. For the purposes of this Article Port Churchill shall not be a port of shipment.

ARTICLE VI—PRICES

1. (a) The basic minimum and maximum prices for the duration of this Agreement shall be:

Minimum-----	\$1. 55
Maximum-----	\$2. 05

Canadian currency per bushel at the parity for the Canadian dollar, determined for the purposes of the International Monetary Fund as at March 1, 1949 for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur. The basic minimum and maximum prices, and the equivalents thereof hereafter referred to, shall exclude such carrying charges and marketing costs as may be agreed between the buyer and the seller.

(b) Carrying charges as agreed between the buyer and seller may accrue for the buyer's account only after an agreed date specified in the contract under which the wheat is sold.

2. The equivalent maximum prices for bulk wheat for:

(a) No. 1 Manitoba Northern wheat in store Vancouver shall be the maximum price for No. 1 Manitoba Northern wheat in

bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article;

(b) No. 1 Manitoba Northern wheat f. o. b. Port Churchill, Manitoba, shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using currently prevailing transportation costs and exchange rates;

(c) f. a. q. wheat in store Australian ocean ports shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, converted into Australian currency at the prevailing rate of exchange;

(d) sample wheat of France (minimum natural weight seventy-six kilograms per hectolitre; minimum protein content ten per cent; maximum dockage and moisture content two per cent and fifteen per cent respectively) in store French ports shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, converted into the currency of France at the prevailing rate of exchange;

(e) No. 1 Hard Winter wheat f. o. b. Gulf/Atlantic ports of the United States of America shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned; and

(f) No. 1 Soft White wheat or No. 1 Hard Winter wheat in store Pacific ports of the United States of America shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using the prevailing rate of exchange and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

3. The equivalent minimum price for bulk wheat for:

(a) No. 1 Manitoba Northern wheat f. o. b. Vancouver,

(b) No. 1 Manitoba Northern wheat f. o. b. Port Churchill, Manitoba,

(c) f. a. q. wheat f. o. b. Australia,

(d) sample wheat of France (minimum natural weight seventy-six kilograms per hectolitre; minimum protein content ten per cent; maximum dockage and moisture content two per cent and fifteen per cent respectively) f. o. b. French ports,

(e) No. 1 Hard Winter wheat f. o. b. Gulf/Atlantic ports of the United States of America, and

(f) No. 1 Soft White wheat or No. 1 Hard Winter wheat f. o. b. Pacific ports of the United States of America,

shall be respectively:

the f. o. b. prices Vancouver, Port Churchill, Australia, France, United States of America Gulf/Atlantic ports and the United

States of America Pacific ports equivalent to the c. & f. prices in the United Kingdom of Great Britain and Northern Ireland of the minimum prices for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using currently prevailing transportation costs and exchange rates and, in those importing countries where a quality differential is recognized, by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

4. The Executive Committee may, in consultation with the Advisory Committee on Price Equivalents, determine the minimum and maximum price equivalents for wheat at points other than those specified above and may also designate any description of wheat other than those specified in paragraphs 2 and 3 above and determine the minimum and maximum price equivalents thereof; provided that, in the case of any other description of wheat the price equivalent of which has not yet been determined, the minimum and maximum prices for the time being shall be derived from the minimum and maximum prices of the description of wheat specified in this Article, or subsequently designated by the Executive Committee in consultation with the Advisory Committee on Price Equivalents, which is most closely comparable to such other description, by the addition of an appropriate premium or by the deduction of an appropriate discount.

5. If any exporting or importing country represents to the Executive Committee that any price equivalent established under paragraph 2, 3, or 4 of this Article is, in the light of current transportation or exchange rates or market premiums or discounts, no longer fair, the Executive Committee shall consider the matter and may, in consultation with the Advisory Committee on Price Equivalents, make such adjustment as it considers desirable.

6. If a dispute arises as to what premium or discount is appropriate for the purposes of paragraphs 4 and 5 of this Article in respect of any description of wheat specified in paragraph 2 or 3 or designated under paragraph 4 of this Article, the Executive Committee in consultation with the Advisory Committee on Price Equivalents, shall on the request of the exporting or importing country concerned decide the issue.

7. All decisions of the Executive Committee under paragraphs 4, 5, and 6 of this Article shall be binding on all exporting and importing countries, provided that any of those countries which considers that any such decision is disadvantageous to it may ask the Council to review that decision.

8. In order to encourage and expedite the conclusion of transactions in wheat between them at prices mutually acceptable in the light of all the circumstances, the exporting and importing countries, while reserving to themselves complete liberty of action in the determination and administration of their internal agricultural and price policies, shall endeavor not to operate those policies in such a way as to impede the free movement of prices between the maximum price and the minimum price in respect of transactions in wheat into which the exporting and importing countries are prepared to enter. Should any exporting or importing country consider that it is suffering hardship as the result of such policies, it may draw the attention of the Council to the matter and the Council shall inquire into and make a report on the complaint.

ARTICLE VII—STOCKS

1. In order to assure supplies of wheat to importing countries, each exporting country shall endeavor to maintain stocks of old crop wheat at the end of its crop-year at a level adequate to ensure that it will fulfill its guaranteed sales under this Agreement in each subsequent crop-year.

2. In the event of a short crop being harvested by an exporting country, particular consideration shall be given by the Council to the efforts made by that exporting country to maintain adequate stocks as required by paragraph 1 of this Article before that country is relieved of any of its obligations under Article X.

3. In order to avoid disproportionate purchases of wheat at the beginning and end of a crop-year, which might prejudice the stabilization of prices under this Agreement and render difficult the fulfillment of the obligations of all exporting and importing countries, importing countries shall endeavor to maintain adequate stocks at all times.

4. In the event of an appeal by an importing country under Article XII, particular consideration shall be given by the Council to the efforts made by that importing country to maintain adequate stocks as required by paragraph 3 of this Article before it decides in favor of such an appeal.

ARTICLE VIII—INFORMATION TO BE SUPPLIED TO THE COUNCIL

The exporting and importing countries shall report to the Council, within the time prescribed by it, such information as the Council may request in connection with the administration of this Agreement.

PART 3—ADJUSTMENT OF GUARANTEED QUANTITIES

ARTICLE IX—ADJUSTMENTS IN CASE OF NONPARTICIPATION OR WITHDRAWAL OF COUNTRIES

1. In the event of any difference occurring between the total of the guaranteed purchases in Annex A to Article III and the total of the guaranteed sales in Annex B to Article III as a result of any country listed in Annex A or Annex B (a) not signing or (b) not depositing an instrument of acceptance of or (c) withdrawing under paragraph 5, 6, or 7 of Article XXII from or (d) being expelled under Article XIX from or (e) being found by the Council under Article XIX to be in default of the whole or part of its guaranteed quantity under this Agreement, the Council shall, without prejudice to the right of any country to withdraw from this Agreement under paragraph 6 of Article XXII, adjust the remaining guaranteed quantities so as to make the total in the one Annex equal to the total in the other Annex.

2. The adjustment under this Article shall, unless the Council decides otherwise by two-thirds of the votes cast by the exporting countries, and two-thirds of the votes cast by the importing countries, be made by reducing pro rata the guaranteed quantities in Annex A or Annex B, as the case may be, by the amount necessary to make the total in the one Annex equal to the total in the other Annex.

3. In making adjustments under this Article, the Council shall keep in mind the general desirability of maintaining the total guaranteed purchases and the total guaranteed sales at the highest possible level.

ARTICLE X—ADJUSTMENT IN CASE OF SHORT CROP OR NECESSITY TO SAFEGUARD BALANCE OF PAYMENTS OR MONETARY RESERVES

1. Any exporting or importing country which fears that it may be prevented, by a short crop in the case of an exporting country or the necessity to safeguard its balance of payments or monetary reserves in the case of an importing country, from carrying out its obligations under this Agreement in respect of a particular crop-year shall report the matter to the Council at the earliest possible date and apply to the Council to be relieved of the whole or a part of its obligations for that crop-year. An application made to the Council pursuant to this paragraph shall be heard without delay.

2. If the matter relates to a short crop, the Council shall, in dealing with the request for relief, review the reporting country's supply situation.

3. If the matter relates to balance of payments or monetary reserves, the Council shall seek and take into account, together with all facts which it considers relevant, the opinion of the International Monetary Fund, as far as the matter concerns a country which is a member of the Fund, on the existence and extent of the necessity referred to in paragraph 1 of this Article.

4. The Council shall, in dealing with a request for relief under this Article, adhere to the principle that the country concerned will to the maximum extent feasible, if it is an exporting country, make sales to meet its obligations under this Agreement and, if it is an importing country, make purchases to meet its obligations under this Agreement.

5. The Council shall decide whether the reporting country's representations are well founded. If it finds they are well founded, it shall decide to what extent and on what conditions the reporting country shall be relieved of its guaranteed quantity for the crop-year concerned. The Council shall inform the reporting country of its decision.

6. If the Council decides that the reporting country shall be relieved of the whole or part of its guaranteed quantity for the crop-year concerned, the following procedure shall apply:

(a) The Council shall, if the reporting country is an importing country, invite the other importing countries, or, if the reporting country is an exporting country, invite the other exporting countries, to increase their guaranteed quantities for the crop-year concerned up to the amount of the guaranteed quantity of which the reporting country is relieved. Any increase in guaranteed quantities under this subparagraph shall require the approval of the Council.

(b) If the amount of which the reporting country is relieved cannot be fully offset in the manner provided in (a) of this paragraph, the Council shall invite the exporting countries, if the reporting country is an importing country, or the importing countries, if the reporting country is an exporting country, to

accept a reduction of their guaranteed quantities for the crop-year concerned up to the amount of the guaranteed quantity of which the reporting country is relieved after taking account of any adjustments made under (a) of this paragraph.

(c) If the total offers received by the Council from the exporting and importing countries to increase their guaranteed quantities under (a) of this paragraph or to reduce their guaranteed quantities under (b) of this paragraph exceed the amount of the guaranteed quantity of which the reporting country is relieved, their guaranteed quantities shall, unless the Council decides otherwise, be increased or reduced, as the case may be, on a pro rata basis, provided that the increase or reduction of the guaranteed quantity of any such country shall not exceed its offer.

(d) If the amount of the guaranteed quantity of which the reporting country is relieved cannot be fully offset in the manner provided in (a) and (b) of this paragraph, the Council shall reduce the guaranteed quantities in Annex A to Article III, if the reporting country is an exporting country, or in Annex B to Article III, if the reporting country is an importing country, for the crop-year concerned by the amount necessary to make the total in the one Annex equal to the total in the other Annex. Unless the exporting countries in the case of a reduction in Annex B, or the importing countries in the case of a reduction in Annex A, agree otherwise, the reduction shall be made on a pro rata basis, account being taken of any reduction already made under (b) of this paragraph.

ARTICLE XI—ADJUSTMENTS OF GUARANTEED QUANTITIES BY CONSENT

1. The Council, when requested to do so by the exporting and importing countries whose guaranteed quantities would thereby be changed, may approve increases in the guaranteed quantities in one Annex to Article III for the remaining period of the Agreement together with equivalent increases in the guaranteed quantities in the other Annex for that period.

2. An exporting country may transfer part of its guaranteed quantity to another exporting country and an importing country may transfer part of its guaranteed quantity to another importing country for one or more crop-years, subject to approval by the Council by a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries.

3. The guaranteed quantity of any country acceding under Article of this Agreement shall be offset by appropriate adjustments by way of increase or decrease of the guaranteed quantities of one or more other countries in Annexes A and B to Article III. Such adjustments shall not be approved unless each exporting or importing country whose guaranteed quantity is thereby changed has consented.

ARTICLE XII—ADDITIONAL PURCHASES IN CASE OF CRITICAL NEED

In order to meet a critical need which has arisen or threatens to arise in its territory, an importing country may appeal to the Council for assistance in obtaining supplies of wheat in addition to its guaranteed purchases. On consideration of such an appeal the Council may

reduce pro rata the guaranteed quantities of the other importing countries in order to provide the quantity of wheat which it determines to be necessary to relieve the emergency created by the critical need, provided that it considers that such emergency cannot be met in any other manner. Two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries shall be required for any reduction of guaranteed purchases under this paragraph.

PART 4—ADMINISTRATION

ARTICLE XIII—THE COUNCIL

A. Constitution

1. The International Wheat Council, established by the International Wheat Agreement which was opened for signature in Washington on March 23, 1949 shall continue in being for the purpose of administering the present Agreement.

2. Each exporting country and each importing country shall be a voting member of the Council and may be represented at its meetings by one delegate, alternates, and advisers.

3. Such intergovernmental organizations as the Council may decide to invite may each have one non-voting representative in attendance at meetings of the Council.

4. The Council shall elect for each crop-year a Chairman and a Vice Chairman.

B. Powers and Functions

5. The Council shall establish its rules of procedure.

6. The Council shall keep such records as are required by the terms of this Agreement and may keep such other records as it considers desirable.

7. The Council shall publish an annual report and may publish any other information concerning matters within the scope of this Agreement.

8. The Council shall have such other powers and perform such other functions as it may deem necessary to carry out the terms of this Agreement.

9. The Council may, by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries, delegate the exercise of any of its powers or functions. The Council may at any time revoke such delegation by a majority of the votes cast. Any decision made under any powers or functions delegated by the Council in accordance with this paragraph shall be subject to review by the Council at the request of any exporting or importing country made within a period which the Council shall prescribe. Any decision, in respect of which no request for review has been made within the prescribed period, shall be binding on all exporting and importing countries.

C. Voting

10. (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph, the importing countries shall hold 1,000 votes, which shall be distributed among them in the proportions which their respective guaranteed purchases for the current crop-year bear to the total of the guaranteed purchases for that crop-year. The exporting countries shall also hold 1,000 votes, which shall be

distributed among them in the proportions which their respective guaranteed sales for the current crop-year bear to the total of the guaranteed sales for that crop-year.

(b) If at any Session of the Council an importing country or an exporting country is not represented by an accredited delegate and has not authorized another country to exercise its votes in accordance with paragraph 15 of this Article, the total votes to be exercised by the exporting countries shall be adjusted to a figure equal to the total of votes to be exercised at that Session by the importing countries and redistributed among exporting countries in proportion to their guaranteed sales.

(c) No exporting country or importing country shall have less than one vote and there shall be no fractional votes.

11. The Council shall redistribute the votes in accordance with the provisions of paragraph 10 of this Article whenever there is any change in the guaranteed purchases or guaranteed sales for the current crop-year.

12. If an exporting or an importing country forfeits its votes under paragraph 5 of Article XVII or is deprived of its votes under paragraph 7 of Article XIX, the Council shall redistribute the votes as if that country had no guaranteed quantity for the current crop-year.

13. Any reduction in its guaranteed quantity accepted by an exporting country or an importing country under paragraph 6 (b) of Article X and any transfer of part of a country's guaranteed quantity for only one crop-year under paragraph 2 of Article XI shall be disregarded for the purpose of redistributing votes under this Article.

14. Except where otherwise specified in this Agreement, decisions of the Council shall be by a majority of the total votes cast.

15. Any exporting country may authorize any other exporting country, and any importing country may authorize any other importing country, to represent its interests and to exercise its votes at any meeting or meetings of the Council. Evidence of such authorization satisfactory to the Council shall be submitted to the Council.

D. Sessions

16. The Council shall meet at least once during each half of each crop-year and at such other times as the Chairman may decide.

17. The Chairman shall convene a Session of the Council if so requested by (a) five countries or (b) one or more countries holding a total of not less than 10 per cent of the total votes or (c) the Executive Committee.

E. Quorum

18. The presence of delegates with a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries prior to any adjustment of votes under paragraph 10 (b) of this Article shall be necessary to constitute a quorum at any meeting of the Council.

F. Seat

19. The seat of the Council shall be London unless the Council decides otherwise by a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries.

G. Legal Capacity

20. The Council shall have in the territory of each exporting and importing country such legal capacity as may be necessary for the exercise of its functions under this Agreement.

H. Decisions

21. Each exporting and importing country undertakes to accept as binding all decisions of the Council under the provisions of this Agreement.

ARTICLE XIV—EXECUTIVE COMMITTEE

1. The Council shall establish an Executive Committee. The members of the Executive Committee shall be three exporting countries elected annually by the exporting countries and not more than eight importing countries elected annually by the importing countries. The Council shall appoint the Chairman of the Executive Committee and may appoint a Vice Chairman.

2. The Executive Committee shall be responsible to and work under the general direction of the Council. It shall have such powers and functions as are expressly assigned to it under this Agreement and such other powers and functions as the Council may delegate to it under paragraph 9 of Article XIII.

3. The exporting countries on the Executive Committee shall have the same total number of votes as the importing countries. The votes of the exporting countries shall be divided among them as they shall decide, provided that no exporting country shall have more than forty per cent of the total votes of the exporting countries. The votes of the importing countries shall be divided among them as they shall decide, provided that no importing country shall have more than forty per cent of the total votes of the importing countries.

4. The Council shall prescribe rules of procedure regarding voting in the Executive Committee and may make such other provisions regarding rules of procedure in the Executive Committee as it thinks fit. A decision of the Executive Committee shall require the same majority of votes as this Agreement prescribes for the Council when making a decision on a similar matter.

5. Any exporting or importing country which is not a member of the Executive Committee may participate, without voting, in the discussion of any question before the Executive Committee whenever the latter considers that the interests of that country are affected.

ARTICLE XV—ADVISORY COMMITTEE ON PRICE EQUIVALENTS

The Council shall establish an Advisory Committee on Price Equivalents consisting of representatives of three exporting countries and of three importing countries. The Committee shall advise the Council and the Executive Committee on the matters referred to in paragraphs 4, 5, and 6 of Article VI and on such other questions as the Council or the Executive Committee may refer to it. The Chairman of the Committee shall be appointed by the Council.

ARTICLE XVI—THE SECRETARIAT

1. The Council shall have a Secretariat consisting of a Secretary and such staff as may be required for the work of the Council and of its committees.

2. The Council shall appoint the Secretary and determine his duties.

3. The staff shall be appointed in accordance with regulations established by the Council.

ARTICLE XVII—FINANCE

1. The expenses of delegations to the Council, of representatives on the Executive Committee, and of representatives on the Advisory Committee on Price Equivalents shall be met by their respective Governments. The other expenses necessary for the administration of this Agreement, including those of the Secretariat and any remuneration which the Council may decide to pay to its Chairman or its Vice Chairman, shall be met by annual contributions from the exporting and importing countries. The contribution of each such country for each crop-year shall be in the proportion which its guaranteed quantity bears to the total guaranteed sales or purchases at the beginning of that crop-year.

2. At its first Session after this Agreement comes into force, the Council shall approve its budget for the period ending July 31, 1954 and assess the contribution to be paid by each exporting and importing country.

3. The Council shall, at its first Session during the second half of each crop-year, approve its budget for the following crop-year and assess the contribution to be paid by each exporting and importing country for that crop-year.

4. The initial contribution of any exporting or importing country acceding to this Agreement under Article XXI shall be assessed by the Council on the basis of the guaranteed quantity to be held by it and the period remaining in the current crop-year, but the assessments made upon other exporting and importing countries for the current crop-year shall not be altered.

5. Contributions shall be payable immediately upon assessment. Any exporting or importing country failing to pay its contribution within one year of its assessment shall forfeit its voting rights until its contribution is paid, but shall not be deprived of its other rights nor relieved of its obligations under this Agreement. In the event of any exporting or importing country forfeiting its voting rights under this paragraph its votes shall be redistributed as provided in paragraph 12 of Article XIII.

6. The Council shall, each crop-year, publish an audited statement of its receipts and expenditures in the previous crop-year.

7. The Government of the country where the seat of the Council is situated shall grant exemption from taxation on the salaries paid by the Council to its employees except that such exemption need not apply to the nationals of that country.

8. The Council shall, prior to its dissolution, provide for the settlement of its liabilities and the disposal of its records and assets.

ARTICLE XVIII—COOPERATION WITH OTHER INTERGOVERNMENTAL ORGANIZATIONS

1. The Council may make whatever arrangements are desirable for consultation and cooperation with the appropriate organs of the United Nations and its specialized agencies and with other inter-governmental organizations.

2. If the Council finds that any terms of this Agreement are materially inconsistent with such requirements as may be laid down by the United Nations or through its appropriate organs and specialized agencies regarding intergovernmental commodity agreements, the inconsistency shall be deemed to be a circumstance affecting adversely the operation of this Agreement and the procedure prescribed in paragraphs 3, 4, and 5 of Article XXII shall be applied.

ARTICLE XIX—DISPUTES AND COMPLAINTS

1. Any dispute concerning the interpretation or application of this Agreement, which is not settled by negotiations, shall, at the request of any country party to the dispute, be referred to the Council for decision.

2. In any case where a dispute has been referred to the Council under paragraph 1 of this Article, a majority of countries, or any countries holding not less than one-third of the total votes, may require the Council, after full discussion, to seek the opinion of the advisory panel referred to in paragraph 3 of this Article on the issues in dispute before giving its decision.

3. (a) Unless the Council unanimously agrees otherwise, the panel shall consist of:

- (i) two persons, one having wide experience in matters of the kind in dispute and the other having legal standing and experience, nominated by the exporting countries;
- (ii) two such persons nominated by the importing countries; and
- (iii) a chairman selected unanimously by the four persons nominated under (i) and (ii) or, if they fail to agree, by the Chairman of the International Wheat Council.

(b) Persons from countries whose Governments are parties to this Agreement shall be eligible to serve on the advisory panel, and persons appointed to the advisory panel shall act in their personal capacities and without instructions from any Government.

(c) The expenses of the advisory panel shall be paid by the Council.

4. The opinion of the advisory panel and the reasons therefor shall be submitted to the Council which, after considering all the relevant information, shall decide the dispute.

5. Any complaint that any exporting or importing country has failed to fulfill its obligations under this Agreement shall, at the request of the country making the complaint, be referred to the Council which shall make a decision on the matter.

6. No exporting or importing country shall be found to have committed a breach of this Agreement except by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries. Any finding that an exporting or importing country is in breach of this Agreement shall specify the nature of the breach and, if the breach involves default by that country in its guaranteed quantity, the extent of such default.

7. If the Council finds that an exporting country or an importing country has committed a breach of this Agreement it may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, deprive the country concerned of its voting rights until it fulfills its obligations or expel that country from the Agreement.

8. If any exporting or importing country is deprived of its votes under this Article, the votes shall be redistributed as provided in paragraph 12 of Article XIII. If any exporting or importing country is found in default of the whole or part of its guaranteed quantity, or is expelled from this Agreement, the remaining guaranteed quantities shall be adjusted as provided in Article IX.

PART 5—FINAL PROVISIONS

ARTICLE XX—SIGNATURE, ACCEPTANCE, AND ENTRY INTO FORCE

1. This Agreement shall be open for signature in Washington until and including April 27, 1953 by the Governments of the countries listed in Annex A and Annex B to Article III.

2. This Agreement shall be subject to acceptance by signatory Governments in accordance with their respective constitutional procedures. Subject to the provisions of paragraph 4 of this Article, instruments of acceptance shall be deposited with the Government of the United States of America not later than July 15, 1953 provided, however, that a notification by any signatory Government to the Government of the United States of America by July 15, 1953 of an intention to accept this Agreement, followed by the deposit of an instrument of acceptance not later than August 1, 1953 in fulfillment of that intention, shall be deemed to constitute acceptance on July 15, 1953 for the purposes of this Article.

3. Provided that the Governments of countries listed in Annex A to Article III responsible for not less than fifty per cent of the guaranteed purchases and the Governments of countries listed in Annex B to Article III responsible for not less than fifty per cent of the guaranteed sales have accepted this Agreement by July 15, 1953, Parts 1, 3, 4, and 5 of the Agreement shall enter into force on July 15, 1953 and Part 2 on August 1, 1953, for those Governments which have accepted the Agreement.

4. Any signatory Government which has not accepted this Agreement by July 15, 1953 as provided in paragraph 2 of this Article may be granted by the Council an extension of time after that date for depositing its instrument of acceptance. Parts 1, 3, 4, and 5 of this Agreement shall enter into force for that Government on the date of the deposit of its instrument of acceptance, and Part 2 of the Agreement shall enter into force on August 1, 1953 or on the date of the deposit of its instrument of acceptance whichever is later.

5. The Government of the United States of America will notify all signatory Governments of each signature and acceptance of this Agreement.

ARTICLE XXI—ACCESSION

The Council may, by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries, approve accession to this Agreement by any Government not already

a party to it and prescribe conditions for such accession; provided, however, that the Council shall not approve the accession of any Government under this Article unless at the same time it approves adjustments of the guaranteed quantities in Annexes A and B to Article III in accordance with paragraph 3 of Article XI. Accession shall be effected by depositing an instrument of accession with the Government of the United States of America, which will notify all signatory and acceding Governments of each such accession.

ARTICLE XXII—DURATION, AMENDMENT, WITHDRAWAL, AND
TERMINATION

1. This Agreement shall remain in force until and including July 31, 1956.

2. The Council shall, at such time as it considers appropriate, communicate to the exporting and importing countries its recommendations regarding renewal or replacement of this Agreement.

3. The Council may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, recommend an amendment of this Agreement to the exporting and importing countries.

4. The Council may fix a time within which each exporting and importing country shall notify the Government of the United States of America whether or not it accepts the amendment. The amendment shall become effective upon its acceptance by exporting countries which hold two-thirds of the votes of the exporting countries and by importing countries which hold two-thirds of the votes of the importing countries.

5. Any exporting or importing country which has not notified the Government of the United States of America of its acceptance of an amendment by the date on which such amendment becomes effective may, after giving such written notice of withdrawal to the Government of the United States of America as the Council may require in each case, withdraw from this Agreement at the end of the current crop-year, but shall not thereby be released from any obligations under this Agreement which have not been discharged by the end of that crop-year.

6. Any exporting country which considers its interests to be seriously prejudiced by the nonparticipation in or withdrawal from this Agreement of any country listed in Annex A to Article III responsible for more than five per cent of the guaranteed quantities in that Annex, or any importing country which considers its interests to be seriously prejudiced by the nonparticipation in or withdrawal from the Agreement of any country listed in Annex B to Article III responsible for more than five per cent of the guaranteed quantities in that Annex, may withdraw from this Agreement by giving written notice of withdrawal to the Government of the United States of America before August 1, 1953.

7. Any exporting or importing country which considers its national security to be endangered by the outbreak of hostilities may withdraw from this Agreement by giving thirty days' written notice of withdrawal to the Government of the United States of America.

8. The Government of the United States of America will inform all signatory and acceding Governments of each notification and notice received under this Article.

ARTICLE XXIII—TERRITORIAL APPLICATION

1. Any Government may, at the time of signature or acceptance of or accession to this Agreement, declare that its rights and obligations under the Agreement shall not apply in respect of all or any of the overseas territories for the foreign relations of which it is responsible.

2. With the exception of territories in respect of which a declaration has been made in accordance with paragraph 1 of this Article, the rights and obligations of any Government under this Agreement shall apply in respect of all territories for the foreign relations of which that Government is responsible.

3. Any Government may, at any time after its acceptance of or accession to this Agreement, by notification to the Government of the United States of America, declare that its rights and obligations under the Agreement shall apply in respect of all or any of the territories regarding which it has made a declaration in accordance with paragraph 1 of this Article.

4. Any Government may, by giving notification of withdrawal to the Government of the United States of America, withdraw from this Agreement separately in respect of all or any of the overseas territories for whose foreign relations it is responsible.

5. The Government of the United States of America will inform all signatory and acceding Governments of any declaration or notification made under this Article.

IN WITNESS WHEREOF the undersigned, having been duly authorized to this effect by their respective Governments, have signed this Agreement on the dates appearing opposite their signatures.

DONE at Washington, this thirteenth day of April 1953, in the English, French, and Spanish languages, all texts being equally authentic, the original to be deposited in the archives of the Government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding Government.

For Australia:

PERCY C SPENDER

April 20th, 1953

Subject to the acceptance however of the reservation that in the event of the nonparticipation in or withdrawal from the Agreement by any one or more of such of the Governments of such importing countries listed in Annex "A" to Article III thereof as in the opinion of the Government of the Commonwealth of Australia are traditional markets for Australian wheat or in the event of any one or more of such countries reducing its or their respective guaranteed quantities below the quantities shown for them respectively in the said Annex A the Government of the Commonwealth of Australia if it shall have accepted the Agreement may request such reduction to the guaranteed quantity shown in respect of Australia in Annex B to Article III of the said Agreement as may in its opinion be necessary to enable Australia to supply to such importing country or countries the quantities of wheat which Australia would normally expect to supply to it or them as the case may be and may withdraw from the said Agreement if any such request for reduction be not met.

PCS.

For Austria:	
MAX LOEWENTHAL	April 13th 1953
For the Kingdom of Belgium:	
SILVERCRUYS	April 13th 1953.
Cette signature est donnée pour l'Union Economique Belgo Luxembourgeoise./.	
For Bolivia:	
A P DEL CASTILLO	April 20th, 1953.
For Brazil:	
ADOLPHO DE CAMARGO NEVES	April 24th 1953
For Canada:	
MITCHELL W. SHARP	April 13/53
For Ceylon:	
G. C. S. Corea.	April 13th, 1953.
For Costa Rica:	
J Rafael Oreamuno	Abril 24, 1953.
For Cuba:	
Aurelio F. Concheso.	Abril 15-1953.
For Denmark:	
A F Knudsen.	April 13, -1953.
For the Dominican Republic:	
Ad. referendum	
Dr L. F THOMEN	April 13/53
For Ecuador:	
Ad. referendum	
B PERALTA P	Abril 17/53
For Egypt:	
M. A. ZAYED	April 13, 1953
For El Salvador:	
CARLOS A SIRI	April 27, 1953
For France:	
H BONNET	13 avril 1953
For the Federal Republic of Germany:	
Dr. HEINZ KREKELER	21 April 1953
Dr KURT HAEFNER	13 April 1953
For Greece:	
C. P. CARANICAS.	April 23, 1953
For Guatemala:	
GUILLERMO TORIELLO	13 de Abril de 1953.
For Haiti:	
ALAIN TURNIER	13 avril 1953
For Honduras:	
José A. MONGE	April 23rd, 1953

For Iceland:		
THOR THORS		April 27, 1953
For India:		
I J BAHADUR SINGH.		April 17th 1953.
For Indonesia:		
ALI-SASTROAMIDJOJO.		April, 27, 1953
For Ireland:		
JOHN J. HEARNE.		April 24th 1953.
For Israel:		
ABBA EBAN		April 21, 1953.
For Italy:		
ALBERTO TARCHIANI		April 13th 1953
For Japan:		
RYUJI TAKEUCHI		April 13 1953.
For Lebanon:		
SAEB JAROUDI		April 14 1953
For Liberia:		
J. SAMUEL O COLEMAN		13 April 1953
For Mexico:		
MANUEL TELLO.		23 de abril de 1953.
For the Kingdom of the Netherlands:		
J. H. VAN ROIJEN.		April 13th 1953.
For New Zealand:		
L. K. MUNRO		April 27, 1953.
For Nicaragua:		
ad referendum		
GUILLERMO SEVILLA-SACASA		April 21, 1953
ALFREDO AVILÉS G.		April 21, 1953
For the Kingdom of Norway:		
JOHAN CAPPELEN.		April 20, 1953.
For Panama:		
R M HEURTEMATTE		April 24, 1953
For Peru:		
with the understanding that Peru's quota be increased to 200,000 metric tons, the amount originally requested by my country and which is the minimum quantity required to cover our bare necessities		
C DONAYRE		April 27, 1953
For the Republic of the Philippines:		
URBANO A. ZAFRA		April 13, 1953
JOSE TEODORO, Jr.		April 13, 1953
For Portugal:		
L. ESTEVES FERNANDES		April the 15th, 1953

For Saudi Arabia:

MOHAMMED MUHTASIB

April 21, 1953

For Spain:

JOSÉ F. DE LEQUERICA

April 24 - 1953

For Sweden:

M. VON WACHENFELT

April 17th, 1953.

For Switzerland:

CHARLES BRUGGMANN

le 13 avril 1953

For the Union of South Africa:

G. P. JOOSTE

April 21, 1953.

For the United Kingdom of Great Britain
and Northern Ireland:

For the United States of America:

TRUE D. MORSE,
EZRA TAFT BENSON

April 13, 1953

April 16, 1953

For Venezuela:

ad-referendum

CÉSAR GONZÁLEZ

April 27, 1953.

I CERTIFY THAT the foregoing is a true copy of the Agreement Revising and Renewing the International Wheat Agreement which was open for signature in the English, French, and Spanish languages at Washington from April 13 until April 27, 1953, inclusive, the signed original of which is deposited in the archives of the Government of the United States of America.

IN TESTIMONY WHEREOF, I, JOHN FOSTER DULLES, Secretary of State of the United States of America, have hereunto caused the seal of the Department of State to be affixed and my name subscribed by the Authentication Officer of the said Department, at the city of Washington, in the District of Columbia, this twenty-eighth day of April, 1953.

[SEAL]

JOHN FOSTER DULLES

Secretary of State

By BARBARA HARTMAN

Authentication Officer

Department of State

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 9, 1953
For actions of July 8, 1953
83rd-1st, No. 125

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HIGHLIGHTS: Senate debated drought-relief bill. Senate committee reported International Wheat Agreement and measure to carry it out. House Rules Committee cleared drought-relief bill. House committee reported bill designating 50th anniversary of farm demonstration work. House passed bill for education aid in Federal areas.

SENATE

1. **DROUGHT RELIEF.** Began debate on S. 2267, the drought-relief bill, which had been reported with amendments by the Agriculture and Forestry Committee earlier in the day (S. Rept. 501)(pp. 8409, 8429-31, 8446-64). Agreed to all committee amendments except that one of the amendments, relating to selection of the review committees, was modified (pp. 8454-5). Sen. Kerr presented an amendment to require price supports on beef cattle at 90% of parity (pp. 8455-63). Sen. Griswold offered an amendment to this amendment, to direct purchase of brood cows at 10 cents a pound or more (pp. 8463-4).

2. **WHEAT.** The Foreign Relations Committee reported without amendment S. J. Res. 97, to carry out the new International Wheat Agreement (p. 8410).

The Committee also reported the Agreement without reservation (p. 8410).

The "Daily Digest" states that the Agriculture and Forestry Committee deferred action on H. R. 5451, regarding wheat marketing quotas, until July 10, when it will "consider the July 1 crop report prior to recommending a minimum national acreage allotment of wheat for 1954 (p. D670).

Sen. Anderson inserted a Washington Post editorial analyzing the wheat-surplus problem (pp. 8465-6).

The Rules and Administration Committee reported without amendment S. Res. 127, authorizing the Agriculture and Forestry Committee to investigate imports of unfit wheat from Canada (S. Rept. 506)(p. 8412).

3. **APPROPRIATIONS.** The Appropriations Committee reported with amendments H. R. 5690, the second independent offices appropriation bill, which includes funds for Veterans' Administration, Tennessee Valley Authority, and the Selective Service

System (S. Rept. 502)(p. 8412).

4. **TIMBER STATISTICS.** Received from the Commerce Department a proposed bill to repeal the act authorizing the Census Bureau to collect and publish statistics of redcedar shingles; to Post Office and Civil Service Committee (p. 8411).
5. **FLOOD DAMAGE.** Sen. Humphrey inserted an Army letter describing flood damage in Minn. recently (pp. 8422-3).
6. **RURAL-TELEPHONE LOANS.** Sen. Humphrey commended the rural-telephone loans program and inserted USDA questions and answers regarding it (pp. 8423-5).
7. **PERSONNEL.** Sen. Williams stated that dual benefits are accumulated under the Social Security Act and the Civil Service Retirement Act, objected to such procedure, and inserted a Civil Service Commission letter concurring with his objective (pp. 8426-9).
8. **EXPENDITURES.** Sen. Flanders discussed the budget deficit, defended the rise in U. S. bond interest rates and continuation of the excess profits tax, and urged reduction of defense expenditures to balance the budget (pp. 8440-2).
9. **COMMITTEE ASSIGNMENT.** Sen. Hoey, instead of Sen. Johnson of Tex., was excused from the Government Operations Committee (see Digest 124).

HOUSE

10. **DROUGHT RELIEF.** The Rules Committee reported a resolution for consideration of H. R. 6054, to authorize emergency loans and supplies for drought relief (p. 8507).
11. **EXTENSION WORK.** The Judiciary Committee reported without amendment H. J. Res. 161, requesting the President to designate 1953 as the 50th anniversary year of farm demonstration work (H. Rept. 740)(p. 8507).
12. **ELECTRIFICATION.** The Rules Committee reported a resolution for consideration of H. R. 4351, relating to Niagara power development (p. 8507).
13. **EDUCATION.** Passed without amendment H. R. 6049, to provide a temporary program of assistance in school construction in federally affected areas (pp. 8486-504).
14. **FOREIGN TRADE.** The Ways and Means Committee ordered reported (but did not actually report) H. R. 5894, to amend the Trade Agreements Act to provide protection for American farmers, etc., and H. R. 5877, to simplify customs procedures (p. D675).
15. **TAXATION.** The Ways and Means Committee reported without amendment H. R. 5898, to extend the excess-profits tax until Dec. 31, 1953 (H. Rept. 743)(p. 8508).
16. **PERSONNEL.** S. 2324, by Sen. Williams, to prohibit dual coverage under the Social Security Act and the Civil Service Retirement Act; to Finance Committee (p. 8414).
17. **FORESTRY.** S. 2325, by Sen. Anderson, to provide for conveyance of certain lands in the Santa Fe National Forest, N. Mex.; to Agriculture and Forestry Committee (p. 8414).
18. **LEGISLATIVE REPORTS.** H. R. 6160, by Rep. Whitten, to provide a staff to make reports on proposed legislation and to analyze legislative reports from executive

AGREEMENT REVISING AND RENEWING THE INTERNATIONAL WHEAT AGREEMENT OF 1949

WEDNESDAY, JULY 8, 1953.—Ordered to be printed

Mr. LANGER, from the Committee on Foreign Relations, submitted the following

R E P O R T

[To accompany Executive H, Eighty-third Congress, first session]

The Committee on Foreign Relations, having had under consideration Executive H, 83d Congress, 1st session, the agreement revising and renewing the International Wheat Agreement, signed at Washington between April 13 and 27, 1953, reports the agreement favorably and recommends that the Senate advise and consent to its ratification.

1. MAIN PURPOSE OF THE AGREEMENT

The agreement continues for another 3 years the arrangements for the international sales and purchases of wheat established by the International Wheat Agreement of 1949. By means of a system of reciprocal guaranties the participant governments aim at stabilizing the international wheat market. Supplies of wheat are assured to importing countries and markets for wheat are assured to exporting countries at equitable and stable prices. Under the revised agreement, the United States is guaranteed an annual export market of 270 million bushels for the next 3 years at minimum prices specified in the agreement.

2. SUBCOMMITTEE ACTION AND HEARING

The President transmitted the agreement to the Senate on June 2, 1953, whereupon it was referred to the Committee on Foreign Relations. On June 17 the chairman of the Foreign Relations Committee, Senator Alexander Wiley of Wisconsin, appointed a subcommittee consisting of Senators Langer (chairman), Hickenlooper, Knowland, Sparkman, and Mansfield to study and report on the agreement. Public hearings were held, at which the subcommittee received the testimony of True D. Morse, Under Secretary of Agriculture; Senator

Frank Carlson; Samuel C. Waugh, Assistant Secretary of State; D. A. FitzGerald, Deputy for Operations to the Director for Mutual Security; Gus Geissler of the National Farmers Union; and Glen Talbot, North Dakota Farmers Union. In addition the committee received a number of written statements from agricultural groups in lieu of personal appearances. On July 2 the subcommittee reported the agreement favorably to the full committee which adopted the subcommittee recommendations and its report as those of the full committee and voted 11 to 1 to report the agreement without amendment or reservation to the Senate for favorable action.

3. BACKGROUND

The International Wheat Agreement of 1949 was concluded after 18 years of negotiation stretching back to a conference in Rome in 1931. Efforts to achieve a wheat agreement were delayed but not abandoned during World War II. In 1948 an International Wheat Agreement was signed, sent to the Senate by the President, and reported by the Foreign Relations Committee to the Senate Calendar. But the crowded calendar prevented Senate action prior to adjournment, and it became necessary to renegotiate the agreement, which in its new form was subsequently submitted to the 81st Congress, which gave its approval to ratification in 1949. The 1949 agreement is due to expire at the end of July 1953. Forty-six countries, by ratification and accession, ultimately adhered to the 1949 agreement; 4 were exporting countries and 42 were importing countries.

At its eighth session in London during April and May of 1952, the International Wheat Council discussed the renewal of the agreement upon its expiration in 1953. The eighth session adjourned and was resumed in Washington on February 2, 1953. By April 13 the Council succeeded in drafting an agreement revising and renewing the International Wheat Agreement of 1949. A period was provided for signature from April 13 to 27, inclusive. During this time 4 exporting countries (the United States, Australia, Canada, and France) and 41 importing countries signed. As indicated above, the President sent the agreement to the Senate for approval on June 2, 1953.

4. SUMMARY OF THE MAIN PROVISIONS

The agreement consists of 23 articles divided into 5 parts. A short preamble is followed by part 1, devoted to definitions used in the agreement. Part 2 defines the rights and obligations and specifies the guaranteed purchases and guaranteed sales and rules regarding the recording of transactions against guaranteed quantities, the enforcement of rights, the basic maximum and minimum prices, the maintenance of stocks, and reporting requirements. In part 3 the procedures for the adjustment of guaranteed quantities are provided to take care of changing needs under varying circumstances. Part 4 sets forth the organization and administration, including the composition and functions of the International Wheat Council, the Executive Committee, the Advisory Committee on Price Equivalents, and the Secretariat, and also provisions relating to the Council's finances and budget, cooperation with other intergovernmental organizations, and procedures for the settlement of disputes arising under the agreement.

Part 5 contains the provisions for signature, accession, duration, amendments, withdrawal, and territorial application.

Under the agreement each exporting country guarantees to sell a specific quantity of wheat at a specified maximum price, and each importing country agrees to purchase a specific quantity of wheat annually at a specified minimum price (art. III). The total guaranteed sales equal the total guaranteed purchases (art. III, annexes A and B). Provision is made for the increase of guaranteed quantities and for the transfer to other member countries of parts of guaranteed quantities by mutual consent (art. XI). Provision is also made for the increase in purchases in times of critical need (art. XII). The maximum and minimum prices will remain the same for the 3 years during which the agreement is to be renewed (art. VI), namely \$2.05 a bushel maximum, and \$1.55 a bushel minimum. Prices are fixed in Canadian currency at a fixed parity with the United States dollar, and quality is set in terms of No. 1 Manitoba Northern Canada wheat (art. VI) in bulk in store Fort William/Port Arthur. Exporting countries endeavor to maintain sufficient stocks of wheat in order to assure supplies to importing countries, and importing countries take precautions to prevent disproportionate purchases of wheat at the opening and closing of crop years (art. VII).

Members which have difficulty in securing their guaranteed sales or purchases may seek the assistance of the Council in obtaining the guaranteed quantities under the agreement (art. V). All transactions over and above those contracted for are unaffected by the agreement.

Certain adjustments are provided so that exporting countries with short crops and importing countries, whose balance of payments and monetary reserves are jeopardized, may have their obligations altered to meet emergency situations. In making such adjustments, the Council adheres to the principle that the country concerned will meet its obligations under the agreement to the maximum extent feasible (art. X).

The agreement provides for an International Wheat Council on which all participating countries are to be represented (art. XIII), which is to be responsible for keeping records necessary for the operation of the agreement, and which will serve as the agency to enforce the rights of the participating countries to sell and purchase wheat under the agreement (art. V). Participating countries are allotted votes in proportion to their share of the total quantity of wheat covered by the agreement (art. XIII).

The Council will be aided in its work by an Executive Committee (art. XIV), an Advisory Committee on Price Equivalents (art. XV), and a Secretariat (art. XVI). Detailed provisions cover financing, cooperation with other intergovernmental agencies, and the settlement of disputes and complaints (arts. XVII-XIX).

Ratifications must be deposited by July 15, 1953, by governments responsible for not less than 50 percent of the guaranteed purchases listed in annex A and 50 percent of the guaranteed sales listed in annex B (art. III), or the agreement fails to come into operation (art. XX).

5. QUANTITIES

The 1953 agreement accounts for guaranteed sales by exporting countries of 595 million bushels of which 270 million are entered for the United States. The guaranteed purchases of the importing countries also total 595 million bushels, including 177 million bushels entered for the United Kingdom.

Article III of the agreement specifies the quotas of both the importing and the exporting countries as follows:

ANNEX A TO ARTICLE III

Guaranteed Purchases

Crop-year August 1 to July 31	1953/54	1954/55	1955/56	Equivalent in bushels for each crop-year
	Thousands of metric tons			
Austria.....	250	250	250	9,185,927
Belgium.....	615	615	615	22,597,382
Bolivia.....	95	95	95	3,490,652
Brazil.....	360	360	360	13,227,736
Ceylon.....	255	255	255	9,369,646
Costa Rica.....	35	35	35	1,286,030
Cuba.....	202	202	202	7,422,229
Denmark.....	50	50	50	1,837,185
Dominican Republic.....	26	26	26	955,336
Ecuador.....	35	35	35	1,286,030
Egypt.....	400	400	400	14,697,484
El Salvador.....	20	20	20	734,874
Federal Republic of Germany.....	1,500	1,500	1,500	55,115,565
Greece.....	350	350	350	12,860,299
Guatemala.....	25	25	25	918,593
Haiti.....	45	45	45	1,653,467
Honduras.....	15	15	15	551,156
Iceland.....	11	11	11	404,181
India.....	1,500	1,500	1,500	55,115,565
Indonesia.....	142	142	142	5,217,607
Ireland.....	275	275	275	10,104,520
Israel.....	215	215	215	7,899,898
Italy.....	850	850	850	31,232,154
Japan.....	1,000	1,000	1,000	36,743,710
Lebanon.....	75	75	75	2,755,778
Liberia.....	2	2	2	73,487
Mexico.....	415	415	415	15,248,640
Netherlands.....	675	675	675	24,802,004
New Zealand.....	160	160	160	5,878,994
Nicaragua.....	10	10	10	367,437
Norway.....	230	230	230	8,451,053
Panama.....	20	20	20	734,874
Peru.....	185	185	185	6,797,586
Philippines.....	236	236	236	8,671,515
Portugal.....	175	175	175	6,430,149
Saudi Arabia.....	60	60	60	2,204,623
Spain.....	145	145	145	5,327,838
Sweden.....	25	25	25	918,593
Switzerland.....	215	215	215	7,899,898
Union of South Africa.....	320	320	320	11,757,987
United Kingdom.....	4,819	4,819	4,819	177,067,939
Venezuela.....	170	170	170	6,246,431
Total (42 countries).....	16,208	16,208	16,208	595,542,052

ANNEX B TO ARTICLE III

Guaranteed Sales

Crop-year August 1 to July 31	1953/54	1954/55	1955/56	Equivalent in bushels for each crop-year
	Thousands of metric tons			
Australia*-----	2,041	2,041	2,041	75,000,000
Canada-----	6,804	6,804	6,804	250,000,000
France-----	10	10	10	367,437
United States of America-----	7,353	7,353	7,353	270,174,615
Total-----	16,208	16,208	16,208	595,542,052

*In the event of the provisions of Article X being invoked by Australia by reason of a short crop, it will be recognized that certain markets, by virtue of their geographical positions, are traditionally dependent upon Australia for the supply of their requirements of wheat grain and wheat-flour. The necessity of meeting these requirements will be one of the factors to be taken into account by the Council in determining the ability of Australia to deliver its guaranteed sales under this Agreement in any crop-year.

After the agreement comes into force adjustments must be made in the event of nonparticipation or withdrawal of any of the countries included in the agreement in order to bring the total guaranteed sales and guaranteed purchases into balance. On the other hand, increases can take place in the total agreement pool throughout the life of the agreement by increases in the quantities of member countries or accession of additional countries as long as quantities sought by importing countries are covered by increase in the quotas of exporting countries.

The quantity of 595 million included in the new agreement compares with 456 million negotiated in the 1949 agreement, which grew to 581 million in the latter part of the agreement period. The quantity of 270 million included for the United States in the new agreement compares with 168 million bushels originally included for the United States in the 1949 agreement which grew to 253 million in the last years of the agreement.

The quantity of 595 million bushels covered by the new agreement represents about two-thirds of average annual world exports in the postwar period (1945-46 to 1952-53) of 900 million.

Quantities guaranteed in the agreement include flour which is counted in terms of its wheat equivalent. The part to be supplied in the form of flour is to be determined between the buyer and the seller, subject to decision by the Council in case of disagreement when the matter is considered by the Council under article V on enforcement of rights.

6. PRICES

The prices negotiated in the new agreement represent a considerable change from those included in the 1949 agreement. The maximum in the old agreement of \$1.80 for Manitoba No. 1 in store at Fort William/Port Arthur, Canada, has become \$2.05 in the new agreement and the minimum in the old agreement ranging from \$1.50 in the first year to \$1.20 in the fourth has become a uniform \$1.55 for the 3 years of the new agreement.

Price equivalents are calculated with relation to the basic prices for the United States coast ranges. Thus the equivalent of the basic

grade at the basing point mentioned above would with present transportation rates be \$2.23 for U. S. No. 1 Hard Winter wheat at gulf ports.

7. COST OF THE AGREEMENT TO THE UNITED STATES

In 1949, the Departments of State and Agriculture were asked to estimate the costs in subsidies that were involved in the agreement. At that time the committee was informed that the Department of Agriculture—

* * * anticipated that a maximum subsidy of \$84 million would be required in the first year of the agreement but that the need for a subsidy will decline or disappear in the latter years.

This figure was reached by applying a 50-cent differential per bushel for the total United States quota of 168 million bushels. In the hearings on the present agreement, the United States Secretary of Agriculture testified that the total cost for the 4 years of bridging the gap between the domestic price level and the maximum price of wheat of the 4 years of the agreement will total approximately \$570 million for an average export subsidy rate of about 62 cents per bushel. It should be remembered that this substantially larger figure than was anticipated is due in part to an increase in the United States quota from 168 to 253 million bushels.

The increased minimum and maximum prices in the revised agreement promise to make substantial reductions in the amount of subsidy. Secretary Morse testified that:

With this increase it is estimated that the per bushel cost of the renewed agreement will be reduced from 62 cents per bushel * * *. We estimate that for the first year the export subsidy will be about 40 cents per bushel or a total cost of about \$108 million based on the United States tentative quota of 270 million bushels.

In information supplied preliminary to the hearings, the Department of Agriculture explained the matter as follows:

The maximum IWA price is \$2.05 per bushel for Manitoba Northern wheat in store Fort William/Port Arthur. The equivalents for United States wheat are about \$2.25 Atlantic, \$2.23 gulf, and \$2.08 west coast ports, all f. o. b. vessel. To the extent that United States prices at these points exceed the equivalents a subsidy will need to be paid. Also a considerable amount of the exportable surplus of United States wheat does not always obtain the same price in all export markets as does Manitoba Northern because of differences in quality. Taking these points into account and assuming that United States wheat prices will be at about this year's level and that IWA prices for the top classes of wheat will be at the maximum, the estimated subsidy cost is 40 cents per bushel for the first year or about \$108 million on a quota of 270 million bushels.

8. HOW THE AGREEMENT WILL BE ADMINISTERED

The central organization for carrying out the agreement and serving as a tribunal of last resort is the International Wheat Council, composed of representatives of all the exporting and importing countries. Votes are to be allocated to each country in accordance with the amount of its guaranteed purchases or sales. Importing countries will have a total of 1,000 votes and exporting countries will have a total of 1,000 votes. The United States share, based on guaranteed sales entered in the agreement, will be 453 of the exporting votes.

Routine administrative decisions will be made by a simple majority vote. More important decisions on matters specifically provided

for in the agreement are to be taken by a majority of the votes of importing countries and exporting countries voting separately. Vital decisions can only be taken by a two-thirds vote of the exporting countries and a two-thirds vote of the importing countries. Thus the United States 453 votes will be decisive in the protection of United States interests.

For example, a two-thirds vote is required for amendments, adjustments of quantities to be bought or sold by various countries, reduction of guaranteed purchases to meet critical needs, the delegation of powers or functions of the Council, and the accession of new members.

Sessions of the Council will be held at least once during each half of the crop year. A quorum will consist of a majority of the votes held by both importing and exporting countries taken separately. The permanent seat of the Council will be London unless the Council decides otherwise by a majority of votes of the importing and exporting countries, voting separately.

In order to assist the Council in carrying out its functions the agreement provides for the following: an Executive Committee, an Advisory Committee on Price Equivalents, and a Secretariat. Provision is also made in cases of dispute to seek the advice of an ad hoc advisory panel (art. XIX). The Executive Committee, consisting of representatives of 3 exporting countries and of not more than 8 importing countries, will work under the direction of the Council. The Advisory Committee on Price Equivalents, composed of representatives of 3 exporting countries and of 3 importing countries, will advise the Council and the Executive Committee on technical matters pertaining to prices and price equivalents. The Secretariat, appointed by and responsible to the Council, will perform the necessary staff work.

9. PRINCIPAL CHANGES FROM THE 1949 AGREEMENT

The revised and renewed International Wheat Agreement differs from the 1949 agreement in 10 main particulars as follows:

1. The loading period may be extended 1 month before and 1 month after the beginning and the end of the crop year if agreed to by both the importing and the exporting countries concerned and if authorized by the Council.

2. Countries may transfer part of their quota for one or more crop years to another country, subject to Council approval by a majority of the votes cast by the importing countries and a majority of the votes cast by the exporting countries.

3. Accession of new members may be facilitated by reductions of the quantities of the importing countries or by increases in the quantities of exporting countries.

4. Provisions are added to limit the purchases by importing countries to 90 percent of the agreed upon quotas until February 28 of any crop year except by permission of the Council in order to make possible adjustments due to short crops in one of the exporting countries.

5. Sales may be recorded upon the ratification of the agreement by a country if the sales are made prior to the time either the exporting or the importing country ratifies.

6. The escape clauses, by which states may escape from the obligations imposed by the agreement, are tightened by the rewording

of article X (Short Crop Imbalances and Payment Safeguard). The Council is instructed in dealing with requests for relief to adhere to the Principle that member countries to the maximum extent feasible meet their obligations to buy or sell under the agreement.

7. Importing countries may decrease their quotas to make room for new countries to come in.

8. Before each session of the Council the votes are to be distributed in such a way that exporting and importing countries have equal votes.

9. The Council may call upon an advisory panel, of its own selection, for advice in settling items in dispute in the Council.

10. Numerous adjustments are made in the exporting and importing country quotas.

10. THE FAILURE OF THE UNITED KINGDOM TO SIGN

The committee notes that nonparticipation of the United Kingdom in the agreement will result in a considerable reduction in the total quantity of wheat covered by the agreement; likewise resultant adjustments by reduction of the quantities of the exporting countries, if made on a pro rata basis, will considerably reduce the quota of the United States. The agreement does, however, provide that division of the reduction among the exporters can be on other than a pro rata basis, if supported by two-thirds of the votes cast by the exporting countries and the importing countries counted separately.

The following table shows what would be the result if adjustment were pro rata and alternatively if reductions were made proportionate to the quantities which the exporting countries sold to the United Kingdom under the 1949 agreement. The table is also illustrative in general of possible alternative methods of quota adjustment.

*Illustrative quota adjustments to meet United Kingdom nonparticipation in International Wheat Agreement*¹

[In millions of bushels]

Exporting country ²	Quotas		Reduction in quotas resulting from United Kingdom nonparticipation		Adjusted quotas ³	
	1949 agreement	Revised agreement	Pro rata basis	4-year average sales to United Kingdom	Pro rata basis (column 2 less column 3)	4-year average sales basis (column 2 less column 4)
	(1)	(2)	(3)	(4)	(5)	(6)
Australia.....	89	75	22	34	54	41
Canada.....	235	250	75	122	175	128
United States.....	253	270	80	21	190	249
Total.....	577	595	177	177	418	418

¹ British quota 177 million bushels.

² Quantities negligible for France.

³ Subject to negotiation within the ranges indicated in (5) and (6).

The committee notes the following statement in the letter of transmittal sent by Acting Secretary of State Walter B. Smith to President Eisenhower on May 29, 1953:

While the agreement was not signed on behalf of the United Kingdom within the period provided by its terms, that country can nevertheless accede to the agreement subsequent to its entry into force on July 15 by a two-thirds vote of exporting countries and a two-thirds vote of importing countries. The agreement also provides in article XXII that if any exporting country considers its interests to be seriously prejudiced by nonparticipation or withdrawal of an importing country responsible for a quota of more than 5 percent of the total in the agreement, such country may withdraw before August 1 by notification to the United States Government. An importing country is accorded this same privilege upon nonparticipation or withdrawal of an exporting country. The quota established for the United Kingdom represented about 30 percent of the aggregate quantity of the importers.

If the United Kingdom fails to take advantage of the privilege of acceding to the agreement or if any of the signatories fails to ratify, article IX provides a mechanism for the redistribution by the Council of guaranteed quantities to balance the total of the guaranteed quantities of exporters with those of importers. This redistribution would be made by a pro rata reduction of the guaranteed quantities of exporters or importers unless the Council should decide otherwise by a vote of two-thirds of the exporters and two-thirds of the importers.

In this connection the committee wishes to call the attention of the Senate to the reservation with which Australia signed the agreement:

PERCY C SPENDER

April 20th, 1953

Subject to the acceptance however of the reservation that in the event of the nonparticipation in or withdrawal from the Agreement by any one of more of such of the Governments of such importing countries listed in Annex "A" to Article III thereof as in the opinion of the Government of the Commonwealth of Australia are traditional markets for Australian wheat or in the event of any one or more of such countries reducing its or their respective guaranteed quantities below the quantities shown for them respectively in the said Annex A the Government of the Commonwealth of Australia if it shall have accepted the Agreement may request such reduction to the guaranteed quantity shown in respect of Australia in Annex B to Article III of the said Agreement as may in its opinion be necessary to enable Australia to supply to such importing country or countries the quantities of wheat which Australia would normally expect to supply to it or them as the case may be and may withdraw from the said Agreement if any such request for reduction be not met.

PCS.

During the hearings, members of the subcommittee sought to learn the reason for Britain's refusal to sign. At that time the question arose as to whether or not the United Kingdom has an agreement or is negotiating an agreement with the U. S. S. R. by virtue of which the latter agrees or will agree to supply Britain with wheat. The committee requested specific information on this point. Following the hearings, the committee was informed by the Mutual Security Agency as follows:

1. The latest contract involving *wheat* shipments from U. S. S. R. to the U. K. was signed in September 1951. It provided for 800,000 tons of coarse grains and 200,000 tons of wheat. It became effective immediately and shipments were completed in the ensuing year.

2. Another U. S. S. R.-U. K. contract involving shipment of *coarse grains only* (150,000 tons of barley, 30,000 tons of oats, and 20,000 tons of corn) was signed early in October 1952. Delivery of the grain against this contract has been completed.

3. We understand that the Department of State has advised the committee that approaches have been made by the Soviet trade delegation in London to the

British Ministry of Food to determine the United Kingdom's interest in buying Soviet grain, including wheat. However, no agreement has yet been concluded and the British Ministry of Food is uncertain concerning the likelihood of the conclusion of such an agreement or its possible terms. The grain trade in the United Kingdom has been returned to private operation but this does not exclude the possibility of a direct contract between the British Ministry of Food and the U. S. S. R. Being free to buy on its own account, the U. K. private trade has approached the Russians for offers but as yet has made no purchases.

The following statement was submitted by Assistant Secretary of State Waugh in reply to the subcommittee question:

We are informed that approaches have been made by the Soviet trade delegation in London to the British Ministry of Food to determine the United Kingdom's interest in buying Soviet grain, including wheat. However, no agreement has yet been concluded and the Ministry is uncertain concerning the likelihood of the conclusion of such an agreement or its possible terms. As previously stated, the British grain trade was recently returned to private operation. However, this apparently does not exclude the possibility of a direct contract between the Ministry of Food and the Soviets. The United Kingdom private trade is now free to buy Soviet grain on its own account, and has approached the Russians for offers, but no private purchases have apparently yet been made.

We have been assured by the British Ministry of Food that their reasons for not signing wheat agreement are not in any way connected with negotiations for further purchases of Russian wheat. If they were offered the kinds of wheat they needed at attractive prices and for shipment at the times when wanted, such offers would be given favorable consideration if coming from Russia or anywhere else in the world.

The Ministry of Food has also informed us that the Soviet trade delegation was told that the Ministry hoped it would not be necessary for the Ministry to make further purchases but to leave this operation to private traders. If the private trade should fail to import sufficient supplies, then the Ministry would have to step in and for this reason it would like to keep in touch with the Soviet trade delegation.

In spite of the difficulties raised by the failure of the United Kingdom to participate, both the Government and private witnesses appearing before the committee urged the Senate to give its advice and consent to the agreement. That is the view of the committee, and its recommendations are made accordingly.

11. IMPLEMENTING LEGISLATION

The International Wheat Agreement required the International Wheat Agreement Act of 1949 (63 Stat. 945) in order to give its terms full application in the United States. The statute authorized the President, acting through the Commodity Credit Corporation, to make available such quantities of wheat and wheat flour as may be necessary to meet the obligations of the United States under the International Wheat Agreement of 1949, and to take certain other action necessary for the implementation of the agreement. The Commodity Credit Corporation under this authority has made available under the agreement wheat acquired under its price-support program. The Commodity Credit Corporation has made export payments to commercial exporters for wheat and wheat flour exported to importing countries under the agreement in accordance with the terms and conditions of the export payment program. The rate of payment on such exports reflects the difference between the price of wheat on the domestic market and the price of wheat under the agreement. Those transactions are reported to the International Wheat Council for credit against the quantity of wheat guaranteed by the United States.

Since the agreement here under consideration renews and revises the agreement of 1949 the original implementing legislation will suffice with little modification. The necessary changes may be accomplished by the following resolution, which the committee hereby reports to the Senate for favorable action:

[S. J. Res. —]

JOINT RESOLUTION To amend the International Wheat Agreement Act of 1949

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the International Wheat Agreement Act of 1949 (63 Stat. 945) is amended by inserting before the parenthesis at the end of the first sentence thereof the following: "and the agreement revising and renewing the International Wheat Agreement for a period ending July 31, 1956, signed by Australia, Canada, France, the United States and certain wheat importing countries".

SEC. 2. Reference in any law to the International Wheat Agreement of 1949 shall be deemed to include the agreement revising and renewing the International Wheat Agreement.

In his comment on this resolution, dated June 24, 1953, the Secretary of Agriculture, Ezra Benson, stated the following:

Section 2 of the proposed bill would make the provisions of section 112 (m) of the Economic Cooperation Act of 1948, as amended, applicable to the new agreement. Section 112 of the Economic Cooperation Act of 1948 was continued by section 502 of the Mutual Security Act of 1951 (22 U. S. C. 1653). Section 112 (m) exempts from the pricing provisions of section 112 (e) of that act (which requires Commodity Credit Corporation to charge cost or domestic market price whichever is lower, on all surplus commodities held by the Corporation in its price-support stocks which are procured from the Corporation with foreign assistance funds and where the transfer to the recipient country is by grant) and section 4 of the act of July 16, 1943 (57 Stat. 566) (which requires Commodity Credit Corporation to be fully reimbursed for all commodities procured to supply the needs of other Government agencies) wheat and wheat flour supplied to countries which are parties to the International Wheat Agreement of 1949 and credited to their guaranteed purchases thereunder. Under this exemption Commodity Credit Corporation is authorized to assume the difference between the agreement prices at which the wheat would move, and market prices or Commodity Credit Corporation costs at which it was procured. It should be noted, however, that the exemption granted by section 112 (m) has not been available during the fiscal year 1953 by reason of the so-called Whitten amendment contained in the Mutual Security Appropriation Act, 1953 (66 Stat. 655), which requires the payment to Commodity Credit Corporation of support price, including handling and storage charges, where commodities are purchased from Commodity Credit Corporation with funds appropriated for economic assistance by that act.

It is the understanding of the committee that the full current domestic price is to be paid in procurement from Commodity Credit Corporation, when it is higher than the support price plus costs. Likewise, commodities included in aid programs which are procured from the private trade, must, under the Whitten amendment, be procured at the full domestic price.

12. THE UNDERLYING JUSTIFICATION

The International Wheat Agreement is not designed to benefit one country or a group of countries alone but exists because it provides a more stable and orderly world market condition than would be the case without the contract. The obligations and rights of the importing countries are balanced by the obligations and rights of the exporting countries. It is significant that every delegation with one exception that participated in the negotiations signed the agreement, and there

is some expectation that the one exception, Great Britain, may accede in the near future.

There was a general agreement among United States representatives and private interests concerned with the renewal of the agreement on five basic points:

1. The fundamental principles on which the International Wheat Agreement is built are sound, and the experience of the past 4 years fully justifies the renewing and revising of the agreement of 1949.

2. The International Wheat Agreement effectively implements both the domestic and foreign policies of the United States.

3. The operations of the International Wheat Agreement of 1949 demonstrate that the agreement is workable and desirable, from a practical point of view.

4. There should be a substantial increase in the basic maximum and minimum prices of the 1949 agreement.

5. The quotas of individual countries should be readjusted so as to eliminate certain competitive disadvantages to flour exporters which were revealed under the administration of the agreement of 1949.

The committee is convinced that these objectives have been embodied in the new agreement and that they are consistent with United States interests. The committee further notes that although Britain may persist in staying outside the agreement, nevertheless, it is in the interest of the United States to ratify. Accordingly, the committee recommends that the Senate give its advice and consent to ratification so that the President may ratify by July 15. The committee further recommends that the Senate promptly pass the implementing legislation, namely, the committee's joint resolution amending the International Wheat Agreement Act of 1949.



83^D CONGRESS
1ST SESSION

S. J. RES. 97

See Executive Report No. 4

IN THE SENATE OF THE UNITED STATES

JULY 8 (legislative day, JULY 6), 1953

Mr. LANGER, from the Committee on Foreign Relations, reported the following joint resolution; which was read twice and placed on the calendar

JOINT RESOLUTION

To amend the International Wheat Agreement Act of 1949.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That section 2 of the International Wheat Agreement Act
4 of 1949 (63 Stat. 945) is amended by inserting before the
5 parenthesis at the end of the first sentence thereof the fol-
6 lowing: "and the agreement revising and renewing the Inter-
7 national Wheat Agreement for a period ending July 31,
8 1956, signed by Australia, Canada, France, the United
9 States, and certain wheat importing countries".

10 SEC. 2. Reference in any law to the International Wheat
11 Agreement of 1949 shall be deemed to include the agree-
12 ment revising and renewing the International Wheat
13 Agreement.

Calendar No. 509

83^d CONGRESS
1ST SESSION

S. J. RES. 97

See Executive Report No. 4

JOINT RESOLUTION

To amend the International Wheat Agreement
Act of 1949.

By Mr. LANGER

JULY 8 (legislative day, JULY 6), 1953
Read twice and placed on the calendar



Congressional Record

United States
of America

PROCEEDINGS AND DEBATES OF THE 83^d CONGRESS, FIRST SESSION

Vol. 99

WASHINGTON, WEDNESDAY, JULY 8, 1953

No. 125

Senate

(Legislative day of Monday, July 6, 1953)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all life and light, turning away for this hallowed moment from the confusion of tongues we seek the quiet pavilion of prayer. As we bow in contrition before Thee may the bewildering voices of the world about us and all the clamor of wordy arguments be hushed. In Thy presence our arrogance is rebuked and our pride of opinion is mocked as we confess that we but grope in the darkness and that our sight is dim, our knowledge is partial, and our judgments fallible.

Make us honest and honorable enough to bear the vision of the truth, wherever it may lead; to have done with all falsehood, to cast aside all pretense. Save us from all compromise with principle and the expediency which warps the soul.

In the daily deliberations of this body may every mind be attentive to Thy voice, in this solemn day of our testing, that we may know the things which belong to our peace and to the peace of the world. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 7, 1953, was dispensed with.

ADDITIONAL EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN—REPORT OF A COMMITTEE SUBMITTED DURING RECESS

Under authority of the order of the Senate of the 7th instant,

Mr. AIKEN, from the Committee on Agriculture and Forestry, reported favorably, with amendments, on July 7, 1953, the bill (S. 2267) to provide for additional emergency assistance to farmers and stockmen, and for other purposes, and submitted a report (No. 501) thereon.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the bill (S. 1039) for the relief of Mr. and Mrs. Lucillo Grassi, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 252. An act to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury; and

S. 1644. An act to amend the act of May 27, 1940 (54 Stat. 223), as amended, and the act of February 14, 1931 (46 Stat. 1111), to remove the limitation upon the rank of the Director of Music, the leader of the Military Academy Band, and to remove the limitation upon the pay of the leader of the United States Naval Academy Band, and to authorize the appointment of Lt. Comdr. Charles Brendler, United States Navy, to the permanent grade of commander in the Navy.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 127. An act to quitclaim interest of the United States to certain land in Placer County, Calif.;

H. R. 334. An act to amend the act of July 31, 1947 (61 Stat. 681);

H. R. 711. An act for the relief of Mrs. Ruth R. Ekholm;

H. R. 823. An act for the relief of Abraham G. Sakin;

H. R. 828. An act for the relief of Dr. Vincenzo Guzzo;

H. R. 871. An act for the relief of Orsola Jacopelli Leggio;

H. R. 947. An act authorizing the Secretary of the Interior to issue to Tom Gwin a patent in fee to certain lands in the State of Mississippi;

H. R. 948. An act for the relief of William F. Thomas;

H. R. 954. An act for the relief of Edith Smith;

H. R. 975. An act for the relief of Dr. Dudley A. Reekie;

H. R. 1070. An act to amend title 28, United States Code;

H. R. 1111. An act for the relief of Sister Augusta Sala and Sister Elvira Stornelli;

H. R. 1329. An act for the relief of Arthur Oppenheimer, Jr., and Mrs. Jane Oppenheimer;

H. R. 1568. An act to amend section 6 of chapter 786 of the act of June 6, 1900, entitled "An act making further provision for a civil government for Alaska, and for other purposes" (31 Stat. 323; title 48, sec. 108, U. S. C.);

H. R. 1629. An act for the relief of Miss Aiko Ikehara;

H. R. 1688. An act for the relief of Henry Ty;

H. R. 1792. An act for the relief of Lee Lai Ha;

H. R. 1802. An act to amend the act of Congress approved March 4, 1915 (38 Stat. 1214), as amended;

H. R. 1806. An act to amend further the Federal Register Act, as amended;

H. R. 1892. An act for the relief of Nicola, Lucia, and Rocco Fierro;

H. R. 1991. An act relating to certain construction-cost adjustments in connection with the Greenfields division of the Sun River irrigation project, Montana;

H. R. 2234. An act to amend the rules for the prevention of collisions on certain inland waters of the United States and on the western rivers;

H. R. 2272. An act to authorize the Secretaries of the Army, the Navy, and the Air Force, with the approval of the Secretary of Defense, to cause to be published official registers for their respective services;

H. R. 2331. An act to repeal section 205 (b) of the Armed Forces Reserve Act of 1952;

H. R. 2396. An act for the relief of Harry Clay Maull, Jr.;

H. R. 2504. An act for the relief of Sisters Adelaide Canelas and Maria Isabel Franco;

H. R. 2506. An act for the relief of certain members of the Missionary Sisters of the Sacred Heart;

H. R. 2507. An act for the relief of Alfonso Gatti;

H. R. 2750. An act for the relief of the city and county of Denver, Colo.;

H. R. 2779. An act to provide for perfecting the title of C. A. Lundy to certain lands in the State of California heretofore patented by the United States;

H. R. 2816. An act for the relief of Sachiko Yuda;

H. R. 2977. An act to further amend the act of July 3, 1943 (ch. 189, 57 Stat. 372);

H. R. 3027. An act for the relief of Tamiko Nagae;

H. R. 3142. An act for the relief of Waltraut Benteler LaMontagne;

H. R. 3217. An act for the relief of Mrs. Florence D. Grimshaw;

H. R. 3223. An act for the relief of Gisela Korb (nee Unruh);

H. R. 3619. An act for the relief of Rufin Manikowski;

H. R. 3630. An act for the relief of Mrs. Nathalie Iiline;

H. R. 3631. An act for the relief of Dorothy Sonya Goldschmidt;

H. R. 3792. An act to amend part III of the Interstate Commerce Act, so as to authorize the Interstate Commerce Commission to revoke, amend, or suspend water carrier certificates and permits under certain conditions;

H. R. 3956. An act to provide for the conveyance of certain lands within the Santa Fe National Forest, N. Mex., and for other purposes;

H. R. 4047. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way, in the county of Alameda, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356);

H. R. 4100. An act for the relief of Mrs. Lau Hong Shee;

H. R. 4101. An act for the relief of Hidenori Utada;

H. R. 4104. An act for the relief of Frank St. Charles;

H. R. 4175. An act for the relief of Charles R. Logan;

H. R. 4302. An act to revive and reenact the act entitled "An act authorizing the State of Michigan, acting through the International Bridge Authority of Michigan, to construct, maintain, and operate a toll bridge or series of bridges, causeways, and approaches thereto, across the St. Marys River, from a point in or near the city of Sault Ste. Marie, Mich., to a point in the Province of Ontario, Canada," approved December 16, 1940;

H. R. 4375. An act for the relief of Julia S. Criswell;

H. R. 4401. An act to amend title 28, United States Code, so as to permit certain suits for the recovery of taxes to be brought in the district of the taxpayer's residence;

H. R. 4440. An act for the relief of Hilde Kretz Sforza;

H. R. 4620. An act for the relief of Natale Joseph John Ratti;

H. R. 4799. An act for the relief of Otho F. Hipkins;

H. R. 4905. An act to amend the Atomic Energy Act of 1946, as amended;

H. R. 4919. An act for the relief of Ralph S. Pearman and others;

H. R. 4958. An act for the relief of the estate of Martin A. Gleason;

H. R. 5118. An act for the relief of Louise Kaden and Elke Beate Kaden;

H. R. 5210. An act for the relief of Paul Banning, chief disbursing officer, and others;

H. R. 5228. An act to amend section 303 of the Budget and Accounting Act, 1921 (40 Stat. 23);

H. R. 5314. An act to extend the coverage of the Servicemen's Indemnity Act to members of the Reserve Officers' Training Corp. when ordered to active training duty for periods in excess of 14 days;

H. R. 5407. An act to amend section 2879 (b) of the Internal Revenue Code;

H. R. 5410. An act for the relief of Mrs. Alberta S. Rozanski;

H. R. 5470. An act for the relief of Salvatore Mario Veltri;

H. R. 5511. An act for the relief of Clara Gabriel;

H. R. 5691. An act to provide for an annual report by the Commissioner of Education regarding educational activities carried on by or under the supervision of, or with the aid of, the executive branch of the Government;

H. R. 5705. An act to amend the existing law to provide for the automatic renewal of expiring, 5-year-level-premium-term policies of United States Government and national service life insurance; and

H. J. Res. 253. Joint resolution to amend the joint resolution of June 16, 1938, creating the Niagara Falls Bridge Commission.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 28) commemorating the 300th anniversary of the formation of Westmoreland County, Va., in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4823) to convey by quitclaim deed certain land to the State of Texas, and it was signed by the Vice President.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour, to permit Senators to introduce bills and joint resolutions, to make insertions in the RECORD, and to transact other routine business, under the usual 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business, for action on nominations under the heading "New Reports."

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

INTERNATIONAL WHEAT AGREEMENT—EXECUTIVE REPORT OF A COMMITTEE (EX. REPT. NO. 4)

Mr. LANGER. Mr. President, from the Committee on Foreign Relations, I report favorably, without reservation, Executive H, 83d Congress, 1st session, an agreement revising and renewing the

International Wheat Agreement, which was open for signature in Washington April 13 to 27, inclusive, 1953, and was signed during that period on behalf of the Government of the United States of America and the governments of 44 other countries, and I submit a report thereon.

The VICE PRESIDENT. The report will be received, and the agreement will be placed on the Executive Calendar.

AMENDMENT OF INTERNATIONAL WHEAT AGREEMENT ACT OF 1949—REPORT OF A COMMITTEE (SEE EX. REPT. NO. 4)

Mr. LANGER. Mr. President, in connection with the agreement I have just reported, as in legislative session, from the Committee on Foreign Relations, I ask unanimous consent to report favorably an original joint resolution to amend the International Wheat Agreement Act of 1949.

The VICE PRESIDENT. Without objection, as in legislative session, the joint resolution will be received and placed on the calendar.

The joint resolution (S. J. Res. 97) to amend the International Wheat Agreement Act of 1949, reported by Mr. LANGER, from the Committee on Foreign Relations, was read twice by its title, and placed on the calendar.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar, under the heading "New Reports."

POST OFFICE DEPARTMENT

The Chief Clerk proceeded to read sundry nominations in the Post Office Department.

Mr. KNOWLAND. I ask that the nominations in the Post Office Department be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations in the Post Office Department are confirmed en bloc.

INTERSTATE COMMERCE COMMISSION

The Chief Clerk read the nomination of Owen Clarke, of Washington, to be an Interstate Commerce Commissioner.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. KNOWLAND. Mr. President, I ask that the nominations in the Coast and Geodetic Survey be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations in the Coast and Geodetic Survey are confirmed en bloc.

Mr. KNOWLAND. I ask that the President be immediately notified of the confirmation of these nominations.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

July 14, 1953
July 13, 1953
83rd-1st, No. 129

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HIGHLIGHTS: Both Houses completed congressional action on drought-relief and foreign-aid bills. Senate ratified Wheat Agreement, and passed measure to carry it out. Senate and House conferees were appointed on wheat marketing quota bill. Senate received Arnold nomination to FCA. House passed customs-simplification bill. House Rules Committee cleared supplemental appropriation bill. House committee reported bill to modify trade agreements law. Rep. Steed spoke in favor of livestock price supports.

SENATE

1. DROUGHT RELIEF. Both Houses agreed to the conference report on H. R. 6054, the drought-relief bill (pp. 8835-7, 8886-7). This bill will now be sent to the President.

WHEAT. Ratified Executive H, to revise and extend the International Wheat Agreement. The Agreement and an explanation of it are printed in the Record. (pp. 8890-912.)

Passed without amendment S. J. Res. 97, to provide for effectuation of the new International Wheat Agreement (pp. 8873, 8912).

Senate and House conferees were appointed on H. R. 5451, to amend the wheat marketing quota law (pp. 8834, 8887).

3. FOREIGN AID. Both Houses agreed to the conference report on H. R. 5710, to amend and extend the Mutual Security Act. The House vote was 221-109. (pp. 8938-40, 8861-8.) This bill will now be sent to the President. Sen. Wiley expressed regret that the authorization for ICEF was not larger (p. 8883). Sen. Morse inserted a paper by E. J. Bell favoring "Aid By Trade" (pp. 8883-6).

4. NOMINATION of Carl Raymond Arnold to be FCA Governor was received (p. 8948).

5. POTATOES. S. 2124, relating to repacking of potatoes, was taken from the Interstate and Foreign Commerce Committee and referred to the Agriculture and Forestry Committee. (p. 8880).

6. PRICE SUPPORTS. Sen. Langer inserted a Carson (N. Dak.) Commercial Club resolution favoring present price-support legislation (p. 8874).
7. TREATIES. Sen. Wiley criticized the Bricker resolution, to limit treaty powers, and inserted letters opposing it (pp. 8880-3).

HOUSE

8. APPROPRIATIONS. The Rules Committee reported a resolution for consideration of H. R. 6200, the supplemental appropriation bill, 1954 (p. 8872).
House conferees were appointed on H. R. 4974, the State, Justice, Commerce appropriation bill for 1954 (p. 8832), and H. R. 5246, the Labor-HEW appropriation bill for 1954 (p. 8834). Senate conferees have been appointed.
9. FOREIGN TRADE. Passed with amendment H. R. 5877, to amend certain administrative provisions of the Tariff Act of 1930 to simplify customs procedure (pp. 8837-61). Rejected a committee amendment to require that injury or threat of injury be proven by an industry before a countervailing duty would be imposed by the Treasury Department (pp. 8860-1). Rep. Scott said this amendment was opposed by wool and cotton groups, etc. (p. 8843).
The Ways and Means Committee reported without amendment H. R. 5894, to amend the Trade Agreements Extension Act to provide additional protection for American workers, farmers, etc. (H. Rept. 777) (p. 8872).
10. SMALL BUSINESS. Adopted H. J. Res. 294, making appropriations for the Small Defense Plants Administration for July 1953 (p. 8831).
11. PRICE DISCRIMINATION. Rep. Patman claimed there is a nationwide effort to fool the independent merchant as to his right to buy cooperatively under the Robinson-Patman Act (pp. 8868-9).

BILLS INTRODUCED

12. AGRICULTURAL ADJUSTMENT. H. R. 6257, by Rep. Hunter, and H. R. 6259, by Rep. Rhodes of Ariz., "to amend the Agricultural Adjustment Act of 1938"; to Agriculture Committee (p. 8872).
13. FOREIGN AID. H. R. 6262, by Rep. Radwan, to authorize CCC commodities to be used for foreign aid; to Agriculture Committee (p. 8872).
14. RESEARCH. S. 2367, by Sen. Aiken, "to strengthen the conduct of research" in USDA; to Agriculture and Forestry Committee (p. 8876).
15. SOIL CONSERVATION. S. 2368, by Sen. Aiken, to amend Sec. 8 (e) of the Soil Conservation and Domestic Allotment Act; to Agriculture and Forestry Committee (p. 8876).

BILLS APPROVED BY THE PRESIDENT

16. REORGANIZATION. S. 106, to establish a Commission on Organization of the Executive Branch. Approved July 10 (Public Law 108).
S. 1514, to establish a Commission on Intergovernmental Relations. Approved July 10, 1953 (Public Law 109).
17. FLAG. S. 694, to prohibit display of flags of international organizations or other nations in equal or superior prominence or honor to the U. S. flag except under specified circumstances. Approved July 9, 1953 (Public Law 107).

REAPPRAISAL OF FEDERAL-AID AIRPORT PROGRAM

Mr. McCARRAN. Mr. President, I ask unanimous consent that I may address the Senator for approximately 5 or 6 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada that he may proceed at this time for 5 or 6 minutes, notwithstanding the 2-minute rule during the morning hour?

The Chair hears no objection, and the Senator from Nevada may proceed.

Mr. McCARRAN. Mr. President, it has come to my attention that announcement has been made that a group of 12 Members, named by the Commerce Department, for the announced purpose of reappraising the Federal-aid airport program, expects to have final recommendations ready in September. It is reported these recommendations will be transmitted to the Transportation Council of the Department of Commerce.

According to the reports which have reached me, subcommittees of this 12-man group already have prepared individual reports on such matters as the current status of the Federal-aid airport program, the history of Federal aid, and so forth.

It is said, Mr. President, that the objective of this 12-man group, appointed by the Secretary of Commerce, is to determine what should be the future responsibility of the Federal Government with respect to development of a national program of civil airports.

Mr. President, I wish to say once more what I have said on previous occasions, namely, that the determination of policy with respect to the future responsibility of the Federal Government in connection with maintenance and development of an integrated system of civil airports, is something to be determined by the Congress, not by the Department of Commerce.

There is nothing wrong, of course, in a study by the Department of Commerce or by the Civil Aeronautics Administration of the responsibilities imposed upon that Department and upon that Administration under the Civil Aeronautics Act, as amended. Nor is there any reason why the Department or the CAA should not make recommendations to Congress for changes in the basic legislation, if they deem such a recommendation justified.

I hope, however, that the Department of Commerce, if it has any recommendations to make with respect to modification of the program which Congress has laid down in this regard, will make them to the proper legislative committees of the Congress, and will not attempt either to put such recommendations into effect by administrative fiat, or to accomplish them by administrative cutting of the budget, or even to bring them about by provisions written into or left out of appropriations bills.

It is my contention, Mr. President, that if a Government agency thinks its functions should be cut, thinks duties imposed upon it by the Congress should no longer be performed in behalf of the

Federal Government, it is both the right and the duty of that department to make recommendations to the Congress. But it is neither the right nor the duty of the department to set itself up as making policy, or as changing the policy Congress has laid down. Furthermore, I greatly deplore the tendency, which I have noted in especial force this year, and particularly in the Commerce Department, and more particularly with regard to the Federal airport program—the tendency to seek approval of administrative changes, even though involving basic shifts of policy, by the Appropriations Committee, rather than by the Legislative Committee which normally handle the Department's problems.

Mr. President, I am a member of the Committee on Appropriations, and I would do nothing to demean that committee nor to take from it any of its proper jurisdiction or responsibilities. I simply do not believe it is the proper jurisdiction of the Committee on Appropriations, nor a proper responsibility of the Committee on Appropriations, to authorize basic changes in the organic law of any of the departments. If a function is to be ended, it should be ended through legislation reported in an orderly manner by the proper legislative committee. If a function is to be changed, the same is true. The tendency to seek the lopping off of functions by mere failure to appropriate, and the change of functions by riders or limiting language in appropriations bills, is a tendency which is leading us in the wrong direction, and which can only end, eventually, in both confusion, with respect to the administration of the laws, and confusion and dissension with respect to the prerogatives and responsibilities of the varying committees of the Congress.

I do not believe the Appropriations Committee desires to make any attempt to take over the legislative responsibilities of the various standing committees of the Senate; and I think any department or agency in the executive branch which seeks to put the Appropriations Committee in the position of doing so, should be brought up sharply and turned back into the proper channels.

I do not mean by anything I have said, Mr. President, to imply that I have read the mind of the Secretary of Commerce, and that I know what he proposes to do with the eventual report of the group which he appointed to reappraise the Federal-aid Airport program. I have simply been putting in the RECORD some views which I hold rather strongly, and which I felt might be of interest not merely to the Secretary of Commerce, but also to my colleagues and especially my colleagues on the Committee on Appropriations.

EXECUTIVE SESSION

Mr. FERGUSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CASE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. LANGER, from the Committee on the Judiciary:

Joseph B. Willson, of Pennsylvania, to be United States district judge for the western district of Pennsylvania, vice Owen M. Burns, deceased;

George H. Boldt, of Washington, to be United States district judge for the western district of Washington, vice Charles H. Leavy, retired;

William Cozart Calhoun, of Georgia, to be United States attorney for the southern district of Georgia;

Edwin R. Denney, of Kentucky, to be United States attorney for the eastern district of Kentucky, vice Claude P. Stephens, term expired;

John W. McIlvaine, of Pennsylvania, to be United States attorney for the western district of Pennsylvania, vice Edward C. Boyle, resigning;

John C. Crawford, Jr., of Tennessee, to be United States attorney for the eastern district of Tennessee;

Millsaps Fitzhugh, of Tennessee, to be United States attorney for the western district of Tennessee, vice John Brown, term expired;

William M. Steger, of Texas, to be United States attorney for the eastern district of Texas;

John Strickler, of Virginia, to be United States attorney for the western district of Virginia, vice Howard C. Gilmer, Jr., term expired;

James L. May, of Alabama, to be United States marshal for the southern district of Alabama, vice Vernon P. Burns, term expired;

Frank O. Bell, of California, to be United States marshal for the northern district of California, vice John A. Roseen, resigning;

Thomas J. Lunney, of New York, to be United States marshal for the southern district of New York;

Roy A. Harmon, of North Carolina, to be United States marshal for the western district of North Carolina, vice Jacob C. Bowman, term expired;

Harold Sexton, of Oregon, to be United States marshal for the district of Oregon;

Howard S. Proctor, of Rhode Island, to be United States marshal for the district of Rhode Island;

Richard A. Simpson, of Virginia, to be United States marshal for the eastern district of Virginia; and

Nogi A. Asp, of Washington, as examiner in chief of the Patent Office.

By Mr. McCLELLAN, from the Committee on the Judiciary:

Charles W. Atkinson, of Arkansas, to be United States attorney for the western district of Arkansas.

By Mr. HENNING, from the Committee on the Judiciary:

Harry Richards, of Missouri, to be United States attorney for the eastern district of Missouri, vice George L. Robertson, resigned.

By Mr. DIRKSEN, from the Committee on the Judiciary:

William W. Kipp, Sr., of Illinois, to be United States marshal for the northern district of Illinois, vice Thomas P. O'Donovan, deceased.

By Mr. BUTLER of Maryland, from the Committee on the Judiciary:

Byron H. Carpenter, of Maryland, as examiner in chief of the Patent Office; and Arthur Wilbur Crocker, of Maryland, for the position of Assistant Commissioner of Patents.

REVISION AND RENEWAL OF THE INTERNATIONAL WHEAT AGREEMENT

Mr. FERGUSON. Mr. President, I move that the Senate proceed to the consideration of Executive Treaty H, of the 83d Congress, 1st session, for the revision and renewal of the International Wheat Agreement.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the agreement, Executive H (83d Cong., 1st sess.), an agreement revising and renewing the International Wheat Agreement, in the English, French, and Spanish languages, which was open for signature in Washington April 13 to 27, inclusive, 1953, and was signed during that period on behalf of the Government of the United States of America and the governments of 44 other countries, which was read the second time.

(For full text of wheat agreement see pp. 8891-8900 of Senate proceedings of this date.)

The PRESIDING OFFICER (Mr. CASE in the chair). The agreement is open to amendment.

Mr. LANGER. Mr. President, on June 2, 1953, President Eisenhower sent to the Senate a message dealing with respect to the International Wheat Agreement, which was open for signature in Washington April 13 to 27, inclusive, 1953, and which was signed during that period on behalf of the Government of the United States of America and the governments of 44 other countries. The President's message was as follows:

THE WHITE HOUSE,
June 2, 1953.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, if the Senate approve thereof, I transmit herewith a certified copy of the agreement revising and renewing the International Wheat Agreement, in the English, French, and Spanish languages, which was open for signature in Washington April 13 to 27, inclusive, 1953, and was signed during that period on behalf of the Government of the United States of America and the governments of 44 other countries.

The purposes and provisions of the agreement are set forth in greater detail in the enclosed report of the Acting Secretary of State and in the summary enclosed therewith.

Attention is invited particularly to the final paragraph of the report of the Acting Secretary of State. It is my hope that the Senate will find it possible to give early consideration to the agreement so that, if the agreement be approved, final action by this Government with respect thereto may be taken by July 15.

DWIGHT D. EISENHOWER.

With his message, President Eisenhower enclosed, first, a report of the

Acting Secretary of State, with enclosed summary of principal provisions; and, second, an agreement revising and renewing the International Wheat Agreement. The report from the Acting Secretary of State is as follows:

DEPARTMENT OF STATE,
Washington, May 29, 1953.

The PRESIDENT,

The White House:

The undersigned, the Acting Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if the President approve thereof, a certified copy of the agreement revising and renewing the International Wheat Agreement, in the English, French, and Spanish languages, open for signature in Washington April 13 to 27, inclusive, 1953, and signed during that period by plenipotentiaries of the Government of the United States of America and plenipotentiaries of the governments of 3 other exporting countries, namely, Australia, Canada, and France, and of 41 importing countries.

The agreement submitted herewith is intended to continue for a period of 3 years, to the end of July 1956, with certain modifications, the arrangements with respect to international purchases and sales of wheat established by the International Wheat Agreement which was open for signature in Washington March 23 to April 15, inclusive, 1949. The Senate gave its advice and consent to ratification of the 1949 agreement on June 13, 1949, the President ratified it and the United States instrument of ratification was deposited on June 17, 1949. That agreement entered into force on July 1, 1949, except as to part 2 and on August 1, 1949, as to part 2 (S. Ex. M, 81st Cong., 1st sess.; Treaties and Other International Acts, series 1937; 63 Stat., pt. 2, 2173).

The 1949 agreement was designed to "overcome the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat" and to "assure supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices."

That agreement was the result of exploration by governments since the early 1930's of the possibility of creating more stable conditions in world wheat markets, and since the early 1940's of more active consideration of a multilateral wheat agreement.

Public hearings with respect to the 1949 agreement were held in May 1949 before a subcommittee of the Senate Committee on Foreign Relations. The committee, in reporting favorably on that agreement (S. Ex. Rept. No. 7, 81st Cong., 1st sess.), stated as follows:

"The Committee on Foreign Relations is of the view that the International Wheat Agreement meets the wishes of the farmers and is in the national interest."

It is pertinent to mention also that on August 6, 1948, the Senate Committee on Foreign Relations, in reporting on a similar International Wheat Agreement which had been signed in 1948, stated that it was "the committee's earnest belief that the principle of surplus marketing by international agreement is sound" and that "it wishes to encourage this objective" (S. Ex. Rept. No. 12, 80th Cong., 2d sess.).

The 1949 agreement, by its own terms, expires at the end of July 1953. There are at present 46 countries parties to that agreement, including 4 exporting countries (the United States, Australia, Canada, and France) and 42 importing countries.

The 1949 agreement set up an International Wheat Council, with carefully delimited functions, to administer the terms of the agreement. Among the functions of the Council is that of communicating to the

member governments "recommendations regarding the renewal of this agreement."

In April and May 1952, at the Council's eighth session in London, the Council engaged in discussions for the purpose of drawing up recommendations regarding renewal. The Council could not then agree on specific recommendations for modifications to be made in the agreement and resolved that the eighth session should be resumed at a later date to develop final recommendations to member governments.

The resumed eighth session convened in Washington on February 2, 1953. After prolonged negotiations, representatives of importing countries and of exporting countries reached acceptable compromises. A draft agreement was drawn up revising and renewing the International Wheat Agreement. By a resolution adopted at the final meeting on April 13, 1953, the Council recommended that member governments become signatories.

During the period allowed for signature, April 13 through April 27, the revised agreement was signed on behalf of all the governments represented in the Council except the United Kingdom, which did not concur in the revised maximum price written into the new agreement.

The agreement submitted herewith was signed on behalf of the United States by Secretary of Agriculture Ezra Taft Benson and Under Secretary of Agriculture True D. Morse under plenipotentiary authority issued to them by the President. Under Secretary Morse was chairman of the United States delegation which participated in the negotiations. The Secretary of Agriculture has informed the Acting Secretary of State that the Department of Agriculture concurs in the recommendation that the agreement be transmitted to the Senate for advice and consent to ratification.

As in the case of the 1949 agreement, the purpose of this agreement is to provide an assured market to wheat-exporting countries at the specified minimum price and assured supplies for wheat-importing countries at a specified maximum price, while maintaining the largest possible degree of flexibility between these prices and avoiding interference with private trade and with the internal policies and programs of member countries. A number of importing countries are signatories to the new agreement which were not included among the original signatories to the 1949 agreement. These became parties to that agreement by accession after it went into force. The most important potential change in the scope of the agreement arises from the failure of the United Kingdom to become a signatory to the new agreement. As further explained below, the terms of the agreement make it possible for the United Kingdom to participate through accession after the agreement enters into force. If it should fail to do so, however, the agreement provides for an adjustment in quotas so that the quantitative obligations of the exporters will be equal to those of the importers.

As in the 1949 agreement, the basic obligation incurred by each exporting country is to deliver a specified quantity of wheat at the maximum price in the agreement, and that of each importing country is to purchase a specified quantity of wheat at the minimum price. In both cases these obligations come into effect only after action by the Council and are subject to certain safeguards specified in the agreement.

While the basic nature of the obligations and rights acquired by the United States in this agreement is thus essentially the same as in the 1949 agreement, the new agreement involves a larger quantity of wheat for the United States and a substantial improvement in the maximum and minimum prices it may receive.

Since the 1949 agreement expires July 31, 1953, and since it is necessary that the Council begin to function under the new

agreement before that date in order to prevent a serious lapse in the program, it is important that at least the major signatories accept the agreement before July 15.

There is attached herewith a summary of the more important provisions of the agreement, with particular emphasis on those provisions that differ from the provisions in the 1949 agreement. In order to facilitate reference to particular provisions, however, the following brief summary of the structure of the agreement is included.

Apart from the preamble, the agreement is divided into 5 parts with 23 articles.

Part 1 (general) includes the brief statement of objectives and an article giving definitions of numerous terms found in the agreement.

Part 2 (rights and obligations) specifies the guaranteed purchases and guaranteed sales and rules regarding the recording of transactions against guaranteed quantities, the enforcement of rights, the basic maximum and minimum prices, the maintenance of stocks, and reporting requirements.

Part 3 (adjustment of guaranteed quantities) stipulates various procedures for adjustments under varying conditions.

Part 4 (administration) contains provisions relating to the composition and functions of the International Wheat Council, the Executive Committee, the Advisory Committee on Price Equivalents, and the Secretariat, and also provisions relating to the Council's finances, and budget, cooperation with other intergovernmental organizations, and procedures for settlement of disputes arising under the agreement.

Part 5 (final provisions) contains the provisions regarding signature, acceptance, entry into force, accession, duration, amendment, withdrawal, and territorial application.

The following paragraphs summarize in greater detail certain aspects of the agreement which merit special attention.

As in the 1949 agreement, paragraph 8 of article III provides that exporting and importing countries shall be free to fulfill their guaranteed quantities through private trade channels and that nothing in the agreement shall be construed to exempt any private trader from any laws or regulations to which he is subject. The agreement does not prescribe means or methods to be adopted to ensure fulfillment of agreement obligations, nor does it require any interference with trade in wheat outside the agreement so long as agreement obligations are met. No level of production is prescribed for an exporting country and the agreement goes no further in the matter of stocks than to provide that "each exporting country shall endeavor to maintain" carryover stocks to fulfill its guaranteed sales. With regard to the determination and administration of internal agricultural and price policies, the member countries (art. VI, par. 8) expressly reserve to themselves complete liberty of action but "shall endeavor not to operate those policies in such a way as to impede the free movement of prices" between the maximum and minimum prices in the agreement.

The guaranteed quantities of importing countries represent the quantities which those countries may be required by the Council to buy at the minimum price from the exporting countries as a group and within the guaranteed quantity of each. The guaranteed quantities of the exporting countries represent the quantities which those countries may be required by the Council to sell at the maximum price to the importing countries as a group within the guaranteed quantity of each. The obligation of exporters to sell at the maximum price is thus matched by a right to sell the same quantity at the minimum.

Action of the Council to prescribe sales and purchases is reserved for the case of an importing country having difficulty in buying its guaranteed quantity at the maximum

and of an exporting country having difficulty in selling its guaranteed quantity at the minimum price. Otherwise the function of the Council is that of recording transactions against the guaranteed quantities.

In the new agreement the guaranteed quantity of the United States is 270 million bushels as compared with 168 million when the 1949 agreement entered into force and 253 million at the present time in the 1949 agreement. The increase in the United States quota under the present agreement has taken place as a result of voluntary action to meet requests by importing countries, including those which have acceded to the agreement.

As applied to the current crop year, the prices specified in the 1949 agreement are: maximum \$1.80 per bushel, minimum \$1.20 per bushel. For the duration of the new agreement, the prices specified are: maximum \$2.05, minimum \$1.55.

The renegotiation of the agreement has resulted in a redistribution of quotas which is believed to accord more closely with the requirements and the ability to perform of the respective signatories. A number of importing countries voluntarily reduced their guaranteed quantities, while many others secured larger quotas more nearly covering the quantities they wish to import under the agreement.

Apart from these changes in quantities and prices certain changes in the text of the agreement, while not altering its basic character, merit specific mention. These changes include a limitation of the carrying charges which a buyer must sustain (art. VI); provision in certain circumstances for consultation by the Council with an advisory panel before deciding disputes (art. XIX); qualified recognition of the principle that importing countries should not resell wheat secured at the maximum price through action of the Council (art. V); and an additional provision to discourage possible abuses of the short-crop and balance-of-payments safeguards (art. X).

While the agreement was not signed on behalf of the United Kingdom within the period provided by its terms, that country can nevertheless accede to the agreement subsequent to its entry into force on July 15 by a two-thirds vote of exporting countries and a two-thirds vote of importing countries. The agreement also provides in article XXII that if any exporting country considers its interests to be seriously prejudiced by nonparticipation or withdrawal of an importing country responsible for a quota of more than 5 percent of the total in the agreement, such country may withdraw before August 1 by notification to the United States Government. An importing country is accorded this same privilege upon nonparticipation or withdrawal of an exporting country. The quota established for the United Kingdom represented about 30 percent of the aggregate quantity of the importers.

If the United Kingdom fails to take advantage of the privilege of acceding to the agreement or if any of the signatories fails to ratify, article IX provides a mechanism for the redistribution by the Council of guaranteed quantities to balance the total of the guaranteed quantities of exporters with those of importers. This redistribution would be made by a pro rata reduction of the guaranteed quantities of exporters or importers unless the Council should decide otherwise by a vote of two-thirds of the exporters and two-thirds of the importers.

Mr. President, I mention this because Great Britain did not sign the agreement.

The agreement was signed for Australia with a reservation which, in effect, declared its intention to take advantage of the withdrawal provisions (art. XXII) under certain circumstances unless a satisfactory adjustment in Australia's guaranteed quantity is

made under article IX. The agreement was signed for Peru with an understanding that Peru's quota should be increased to a specified amount as originally requested to cover bare necessities.

Article XX provides that the agreement shall be subject to acceptance by the signatory governments in accordance with their respective constitutional procedures. It is provided further that parts 1, 3, 4, and 5 shall enter into force on July 15, 1953, provided that, by that date, the governments of importing countries responsible for not less than 50 percent of the guaranteed purchases and the governments of exporting countries responsible for not less than 50 percent of the guaranteed sales have accepted the agreement. Part 2 of the agreement, which applies to rights and obligations, is to come into force on August 1 (upon expiration of the 1949 agreement) for governments which have ratified the agreement.

On the side of the exporting countries, the acceptances of the United States and either Australia or Canada or acceptance by Australia and Canada would suffice to bring the agreement into force. The total guaranteed quantity, both as to exporting and importing countries, is specified (annexes to art. III) as 595,542,052 bushels per crop year. The guaranteed sales indicated for the United States and Canada represent the greater part of the total, namely, the United States 270,174,615, Canada 250 million. On the side of the importing countries, without the United Kingdom, with its quantity of 177 million bushels among the signatories, acceptances by the 12 signatories having the largest guaranteed quantities (purchases; apart from the United Kingdom (10 million or more bushels each) would suffice to bring the agreement into force.

I invite particular attention to the message of the President, calling attention to the last paragraph of the letter from the Acting Secretary of State, which I now read:

The long period of negotiation and the need to bring the new agreement into force in time to succeed immediately to the present agreement have limited the time available for obtaining the advice and consent of the Senate. Certified copies of the agreement could not be prepared until after the closing date for signature. It is hoped that the Senate may find it possible to give expeditious consideration to the new agreement herewith submitted, in order that an instrument of acceptance may be executed and deposited on behalf of the United States before July 15.

Respectfully submitted.

WALTER B. SMITH,
Acting Secretary.

Mr. President, at this time I ask unanimous consent that there may be printed in full at this point as a part of my remarks a copy of the International Wheat Agreement.

There being no objection, the agreement was ordered to be printed in the RECORD, as follows:

INTERNATIONAL WHEAT AGREEMENT—SUMMARY OF PRINCIPAL PROVISIONS

[Portions of text italicized indicate most important changes from or additions to 1949 agreement]

PART 1. GENERAL

Article I—Objectives

The objectives of the Agreement are to assure supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices.

Article II—Definitions

Various terms used in the text of the Agreement are here defined.

PART 2. RIGHTS AND OBLIGATIONS

Article III—Guaranteed purchases and guaranteed sales

Article III relates to guaranteed purchases at the minimum price and guaranteed sales at the maximum price and includes in Annexes A and B listings of the guaranteed quantities of importing and exporting countries, respectively.

This Article brings out that specific obligations of importing countries to buy or of exporting countries to sell exist only when such countries are required by the Council upon application of a member country to do so at prices consistent with the minimum and maximum prices, respectively, which are specified in the Agreement.

The amount of wheat-flour to be supplied and accepted against the guaranteed quantities is to be determined by agreement between the buyer and seller in each transaction, subject to referral of the matter to the Council for decision in case of disagreement between an exporting country and an importing country.

Exporting and importing countries are to be free to fulfill their guaranteed quantities through private trade channels or otherwise.

Purchases by importing countries are limited to 90 percent of their guaranteed quantities up until February 28 of any crop year except by permission of the Council (this provision is intended to enable the Council under Article X to make adjustments in case of reduced availability to the Agreement resulting from a short crop in an exporting country).

Article IV—Recording of transactions against guaranteed quantities

Article IV provides for the procedure to be followed for entering as to each crop year in the records of the Council information about transactions in wheat and wheat-flour which come within the price limits specified in the Agreement and are intended to count against guaranteed quantities.

Transactions are eligible for recording which have been entered into before the deposit of its instrument of acceptance by either or both of the countries concerned.

The Council may authorize recording of transactions specifying a loading period of up to one month before the beginning or after the end of the crop year if the importing and exporting countries concerned agree.

Recordings under the Agreement may be challenged by the importing or exporting countries concerned and the matter reviewed by the Council. Recorded quantities may also be reduced if the full quantity can not be delivered within the crop year. A recording against the guaranteed quantity of an importing country may be shifted to apply to that of a second importing country to which the wheat is resold.

Article V—Enforcement of rights

Article V, relating to enforcement of rights, establishes the procedure to be followed when any contracting country finds difficulty in purchasing or selling its unfulfilled guaranteed quantity for any crop year at the maximum or minimum price, respectively. Enforcement is through the Council which decides the quantities (and, if requested, also the quality and grade or the proportion to be in the form of flour), which individual exporting countries shall sell to an importing country or the importing countries shall buy from an exporting country.

The Council shall make such decision in the case of application by an importing country "after receiving assurance, if requested, that the wheat-grain or wheat-flour is to be used for consumption in the importing country or for normal or traditional trade".

Article VI—Prices

Basic minimum and maximum prices are fixed at \$1.55 and \$2.05 on No. 1 Manitoba Northern wheat in store at Fort William/Port Arthur. As in the 1949 Agreement, these specified prices are made exclusive of such carrying charges and marketing costs as may be agreed between the buyer and seller. However, there was added to the new Agreement the following important provision limiting the scope of the carrying charge:

"Carrying charges as agreed between the buyer and seller may accrue for the buyer's account only after an agreed date specified in the contract under which the wheat is sold."

Formulae are indicated in Article VI for determining, with reference to the basic grade and the basing point mentioned above, equivalent maximum prices for wheat at Vancouver and at Port Churchill, Canada, at Australian and French ports, and at Gulf, Atlantic and Pacific ports in the United States. In the case of United States wheat, such allowances are to be made for differences in quality as may be agreed between the exporting country and the importing country concerned. Where transportation costs are a factor in the calculation of equivalents the Agreement provides that the price be "computed by using currently prevailing transportation costs". Likewise, in all price equivalent determinations, currently prevailing exchange rates are to be used.

It is further provided in Article VI that the determination of price equivalents for other descriptions of wheat than those mentioned above, determination of minimum and maximum price equivalents for wheat at other points than those specified above, adjustments in already established price equivalents, and settlement of disputes concerning appropriate premiums or discounts may be effected by the Executive Committee in consultation with the Advisory Committee on Price Equivalents.

Both the exporting and importing countries also agree, while reserving complete liberty of action in the determination and administration of their internal agricultural and price policies, to endeavor not to operate those policies in such a way as to impede the free movement of prices between the maximum and minimum.

Article VII—Stocks

Article VII provides that each exporting country shall endeavor to maintain stocks of old crop wheat at the end of its crop-year adequate to ensure fulfillment of its guaranteed sales in the subsequent crop-year and that importing countries shall endeavor to maintain adequate stocks at all times to avoid disproportionate purchases at the beginning and end of a crop-year which might prejudice the stabilization of wheat prices and make the fulfillment of obligations of all exporting and importing countries difficult.

Article VIII—Information to be supplied to the Council

Article VIII makes it obligatory for countries party to the Agreement to report to the Council information which it may request in connection with the administration of the Agreement.

PART 3. ADJUSTMENT OF GUARANTEED QUANTITIES

Article IX—Adjustments in case of nonparticipation or withdrawal of countries

Article IX provides, in the cases of failure of some country or countries to sign the Agreement, failure to deposit an instrument accepting the Agreement, withdrawal, expulsion, or default, for adjustment of the remaining guaranteed quantities in order that the total of guaranteed exports and the total

of the guaranteed imports (as given in Annexes A and B of Article III) may be equal.

Article X—Adjustment in case of short crop or necessity to safeguard balance of payments or monetary reserves

Article X provides for the procedure to be followed in effecting adjustments in guaranteed quantities if a short crop in an exporting country or necessity to safeguard balance of payments or monetary reserves in an importing country threatens to prevent the fulfillment of obligations under the Agreement in a particular crop-year. The Article provides that, in the case of relief from obligations sought by importing countries because of balance of payments difficulties, the opinion of the International Monetary Fund be sought.

The Council is also instructed in dealing with requests for relief to adhere to the principle that member countries to the maximum extent feasible meet their obligations to buy or sell under the Agreement.

Provision is made for exploring the possibility of adjustment by increase in the guaranteed quantities of other countries before the Council has recourse to the expedient of reducing any guaranteed quantities in order to restore a balance between guaranteed exports and guaranteed imports.

Article XI—Adjustments of guaranteed quantities by consent

Provision is here made for simultaneous increases by exporting and importing countries for the remaining period of the Agreement.

Transfers may also be made of parts of their guaranteed quantities between exporting or between importing countries for one or more crop years subject to approval by a majority of the votes cast by the importing and a majority of votes cast by the exporting countries.

Accessions of new member countries may be accommodated by reductions in the quantities of importing countries or increases in the quantities of exporting countries.

Article XII—Additional purchases in case of critical need

Article XII enables the Council by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries to come to the assistance of an importing country in critical need of supplies of wheat in addition to its guaranteed purchases by reducing pro rata the guaranteed quantities of the other importing countries.

PART 4. ADMINISTRATION

Article XIII—The Council

The Wheat Council established by the 1949 Agreement shall continue in being for the purpose of administering the new Agreement.

Provision is made for non-voting representation by such intergovernmental organizations as the Council may decide to invite.

This Article also outlines the powers and functions of the Council and indicates the circumstances under which the exercise of such powers and functions may be delegated and revoked.

Decisions are reached by weighted voting in the Council, exporting countries as a group and importing countries as a group having each 1,000 votes and the number of votes of each country being proportionate to its guaranteed quantity. Voting by proxy is possible.

The votes may also be adjusted at any session of the Council, when all member countries are not officially represented or have not arranged for a proxy, to place the importing countries and the exporting countries on an equal footing.

Voluntary reductions accepted by importing or exporting countries to restore the

balance between exporter and importer quantities in the case of release from part of its obligations of a member country under Article X 6 (b) shall not result in reduction of the voting power of such countries. A like exemption is given to any country relinquishing part of its quota to another country for only one crop-year under Article XI, paragraph 2.

Other matters such as the number and time of sessions, quorum, and legal capacity of the Council are covered in Article XIII.

Each exporting and importing country undertakes to accept as binding all decisions of the Council under the provisions of the Agreement.

Article XIV—Executive Committee

Article XIV requires the Council to elect annually an Executive Committee to be responsible to and to work under the general direction of the Council. Members thereof shall be three exporting countries elected by the exporting countries as in the old Agreement, and not more than eight importing countries (as compared to seven in the old Agreement) elected by the importing countries. The Executive Committee is responsible to and works under the direction of the Council, its powers and functions being either directly assigned under the Agreement or delegated to it by the Council. It is prescribed that exporting countries represented on the Executive Committee have together the same total number of votes as do importing countries and that in each of these groups no one country shall have more than forty percent of the votes.

Article XV—Advisory Committee on Price Equivalents

Article XV requires that the Council establish an Advisory Committee on Price Equivalents consisting of representatives of three exporting and three importing countries to advise the Council and the Executive Committee regarding the establishment or revision of price equivalents and other matters pertaining to factors involved in the calculation of prices under the Agreement.

Article XVI—The Secretariat

Article XVI provides that the Council shall have a Secretariat with a Secretary appointed by the Council and a staff to be appointed in accordance with regulations established by the Council.

Article XVII—Finance

Article XVII specifies that the expense of delegations to the Council, of representatives on the Executive Committee, and of representatives on the Advisory Committee on Price Equivalents shall be met by their respective Governments, but that other expenses necessary for the administration of the Agreements shall be met by annual contributions from the exporting and importing countries. The contribution of each such country for each crop-year shall be in the proportion which its guaranteed quantity bears to the total guaranteed sales or purchases at the beginning of that crop-year. The initial contribution of a country acceding to the Agreement shall be assessed on the basis of the guaranteed quantity and the period remaining in the current crop-year but assessments of other member countries shall not be altered for that crop-year. Default in paying contributions assessed shall result in forfeiture by the defaulting country of its voting rights until the contribution is paid, although not in loss of its other rights or in release from obligations under the Agreement.

Article XVIII—Cooperation with other inter-governmental organizations

Article XVIII, wording of which is only slightly changed from that of the old Agreement, enables the Council to make arrangements for consultation and cooperation with appropriate organs of the United Nations

and its specialized agencies and with other intergovernmental organizations. It also directs the Council, in case any terms of the Agreement are materially inconsistent with requirements which may be laid down by the United Nations or appropriate organs and agencies thereof regarding commodity agreements, to consider amendment of the Agreement.

Article XIX—Disputes and complaints

Article XIX provides, as in the old Agreement, for decision by the Council. However, there have been added provisions enabling a majority of countries or countries holding not less than one-third of the total 2,000 votes to require the Council, after full discussion, to seek the opinion of an advisory panel composed, unless unanimously agreed otherwise by the Council, of five qualified persons acting in their personal capacities and without instructions from any Government. The Council is to decide the dispute after receiving the opinion of the panel and considering all relevant information.

Article XIX follows the old Agreement in its provisions concerning decision by the Council on a complaint that a country has failed to fulfill its obligations. A finding for breach of agreement requires a majority of the votes held by importing and a majority held by exporting countries. The Council may, by a like vote, deprive a country found to be in breach of the Agreement of its voting rights until it fulfills its obligations or expels it from the Agreement.

PART 5. FINAL PROVISIONS

Article XX—Signature, acceptance, and entry into force

Article XX prescribes a period for signing up to April 27 and thereafter for the deposit of instruments of acceptance with the Government of the United States by signatory Governments up to July 15. Notification to the United States Government by July 15 of intention to accept the Agreement followed by deposit of an instrument by August 1 shall be deemed to constitute acceptance on July 15, 1953.

If Governments of signatory exporting countries responsible for not less than 50 percent of the total quantity in the Agreement and Governments importing countries responsible for not less than 50 percent of the quantity have accepted by July 15, Parts 1, 3, 4, and 5 of the Agreement enter into force on that date and Part 2 on August 1 for Governments who have accepted the Agreement.

Signatory Governments which have not accepted the Agreement by July 15 may be granted an extension of time thereafter by the Council for depositing an instrument of acceptance.

Article XXI—Accession

Article XXI provides that the Council may by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries approve accession to the Agreement on the part of any Government not already a party and prescribe conditions for accession.

Article XXII—Duration, amendment, withdrawal and termination

Article XXII fixes the terminus of the Agreement at July 31, 1956 and stipulates that the Council at such time as it considers appropriate shall communicate to the contracting governments its recommendations regarding the renewal of the Agreement.

The Council may by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries recommend to the participating countries an amendment to the Agreement. Such an amendment shall become effective if accepted by countries holding two-thirds of the votes held by the exporting countries and two-thirds held by the importing countries.

Any exporting or importing country which considers its interests to be prejudiced by nonparticipation in or withdrawal from the Agreement of any country listed in either Annex A or Annex B of Article III responsible for more than five percent of the guaranteed quantities in the Annex may withdraw from the Agreement by giving written notice of withdrawal to the Government of the United States before August 1, 1953.

Any country which considers its national security to be endangered by the outbreak of hostilities may withdraw from the Agreement by giving thirty days' written notice.

Article XXIII—Territorial application

Article XXIII deals with territorial application of the Agreement and provides that any government may declare that its rights and obligations under the Agreement do not apply in respect of all or any of the overseas territories for the foreign relations of which it is responsible. In the absence of such a declaration its rights and obligations under the Agreement apply in respect of all its territories.

AGREEMENT REVISING AND RENEWING THE INTERNATIONAL WHEAT AGREEMENT

The Governments signatory to this Agreement,

Considering that the International Wheat Agreement which was opened for signature at Washington on March 23, 1949 was entered into in order to overcome the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat, and

Considering that it is desirable that the International Wheat Agreement be renewed, with certain modifications, for a further period, and

Having decided to conclude for that purpose this Agreement revising and renewing the International Wheat Agreement,

Have agreed as follows:

PART 1—GENERAL

Article I—Objectives

The objectives of this Agreement are to assure supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices.

Article II—Definitions

1. For the purposes of this Agreement:

"Advisory Committee on Price Equivalents" means the Committee established under Article XV.

"Bushel" means sixty pounds avoirdupois.

"Carrying charges" means the costs incurred for storage, interest and insurance in holding wheat.

"C. & f." means cost and freight.

"Council" means the International Wheat Council established by Article XIII.

"Crop-year" means the period from August 1 to July 31, except that in Article VII it means in respect of Australia the period from December 1 to November 30 and in respect of the United States of America the period from July 1 to June 30.

"Executive Committee" means the Committee established under Article XIV.

"Exporting country" means, as the context requires, either (i) the Government of a country listed in Annex B to Article III which has accepted or acceded to this Agreement and has not withdrawn therefrom, or (ii) that country itself and the territories in respect of which the rights and obligations of its Government under this Agreement apply.

"F. a. q." means fair average quality.

"F. o. b." means free on board ocean vessel.

"Guaranteed quality" means in relation to an importing country its guaranteed purchases for a crop-year and in relation to an exporting country its guaranteed sales for a crop-year.

"Importing country" means, as the context requires, either (i) the Government of a

country listed in Annex A to Article III which has accepted or acceded to this Agreement and has not withdrawn therefrom, or (ii) that country itself and the territories in respect of which the rights and obligations of its Government under this Agreement apply.

"Marketing costs" means all usual charges incurred in procurement, marketing, chartering, and forwarding.

"Metric ton" means 36.74371 bushels.

"Old crop wheat" means wheat harvested more than two months prior to the beginning of the current crop-year of the exporting country concerned.

"Territory" in relation to an exporting or importing country includes any territory in respect of which the rights and obligations under this Agreement of the Government of that country apply under Article XXIII.

"Transaction" means a sale for import into an importing country of wheat exported or to be exported from an exporting country, or the quantity of such wheat so sold, as the context requires. Where reference is made in this Agreement to a transaction between an exporting country and an importing country, it shall be understood to refer not only to transactions between the Government of an exporting country and the Government of an importing country but also to transactions between the private traders and to transactions between a private trader and the Government of an exporting or an importing country. In this definition "Government" shall be deemed to include the Government of any territory in respect of which the rights and obligations of any Government accepting or acceding to this Agreement apply under Article XXIII.

"Unfulfilled guaranteed quantity" means, in the case of an exporting country, the difference between the quantities entered in the Council's records in accordance with Article IV in respect of that country for a crop-year and its guaranteed sales for that crop-year and, in the case of an importing country, the difference between the quantities entered in the Council's records in accordance with Article IV in respect of that country for a crop-year and that portion of its guaranteed purchases for that crop-year which it is, at the relevant time, entitled to purchase having regard to paragraph 9 of Article III.

"Wheat" includes wheat grain and, except in Article VI, wheat-flour.

2. Seventy-two units by weight of wheat-flour shall be deemed to be equivalent to one hundred units by weight of wheat grain in all calculations relating to guaranteed purchases or guaranteed sales, unless the Council decides otherwise.

PART 2—RIGHTS AND OBLIGATIONS

ARTICLE III—GUARANTEED PURCHASES AND GUARANTEED SALES

1. The quantities of wheat set out in Annex A to this Article for each importing country represent, subject to any increase or reduction made in accordance with the provisions of Part 3 of this Agreement, the guaranteed purchases of that country for each of the three crop-years covered by this Agreement.

2. The quantities of wheat set out in Annex B to this Article for each exporting country represent, subject to any increase or reduction made in accordance with the pro-

visions of Part 3 of this Agreement, the guaranteed sales of that country for each of the three crop-years covered by this Agreement.

3. The guaranteed purchases of an importing country represent the maximum quantity of wheat which, subject to deduction of the amount of the transactions entered in the Council's records in accordance with Article IV against those guaranteed purchases.

(a) that importing country may be required by the Council, as provided in Article V, to purchase from the exporting countries at prices consistent with the minimum prices specified in or determined under Article VI, or

(b) the exporting countries may be required by the Council, as provided in Article V, to sell to that importing country at prices consistent with the maximum prices specified in or determined under Article VI.

4. The guaranteed sales of an exporting country represent the maximum quantity of wheat which, subject to deduction of the amount of the transactions entered in the Council's records in accordance with Article IV against those guaranteed sales,

(a) that exporting country may be required by the Council, as provided in Article V, to sell to the importing countries at prices consistent with the maximum prices specified in or determined under Article VI, or

(b) the importing countries may be required by the Council, as provided in Article V, to purchase from that exporting country at prices consistent with the minimum prices specified in or determined under Article VI.

5. If an importing country finds difficulty in exercising its right to purchase its unfulfilled guaranteed quantity at prices consistent with the maximum prices specified in or determined under Article VI or an exporting country finds difficulty in exercising its right to sell its unfulfilled guaranteed quantity at prices consistent with the minimum prices so specified or determined, it may have resort to the procedure in Article V.

6. Exporting countries are under no obligation to sell any wheat under this Agreement unless required to do so as provided in Article V at prices consistent with the maximum prices specified in or determined under Article VI. Importing countries are under no obligation to purchase any wheat under this Agreement unless required to do so as provided in Article V at prices consistent with the minimum prices specified in or determined under Article VI.

7. The quantity, if any, of wheat-flour to be supplied by the exporting country and accepted by the importing country against their respective guaranteed quantities shall, subject to the provisions of Article V, be determined by agreement between the buyer and seller in each transaction.

8. Exporting and importing countries shall be free to fulfill their guaranteed quantities through private trade channels or otherwise. Nothing in this Agreement shall be construed to exempt any private trader from any laws or regulations to which he is otherwise subject.

9. No importing country shall, without the permission of the Council, purchase under this Agreement more than ninety per cent of its guaranteed quantity for any crop-year before February 28 of that crop-year.

ANNEX A TO ARTICLE III Guaranteed purchases

Crop-year August 1 to July 31	1953/54	1954/55	1955/56	Equivalent in bushels for each crop-year
Thousands of metric tons				
Austria.....	250	250	250	9,185,927
Belgium.....	615	615	615	22,597,382
Bolivia.....	95	95	95	3,490,652
Brazil.....	360	360	360	13,227,736
Ceylon.....	255	255	255	9,369,646
Costa Rica.....	35	35	35	1,286,030
Cuba.....	202	202	202	7,422,229
Denmark.....	50	50	50	1,837,185
Dominican Republic.....	26	26	26	955,336
Ecuador.....	35	35	35	1,286,030
Egypt.....	400	400	400	14,697,484
El Salvador.....	20	20	20	734,874
Federal Republic of Germany.....	1,500	1,500	1,500	55,115,565
Greece.....	350	350	350	12,860,299
Guatemala.....	25	25	25	918,593
Haiti.....	45	45	45	1,653,467
Honduras.....	15	15	15	551,156
Iceland.....	11	11	11	404,181
India.....	1,500	1,500	1,500	55,115,565
Indonesia.....	142	142	142	5,217,607
Ireland.....	275	275	275	10,104,520
Israel.....	215	215	215	7,899,898
Italy.....	850	850	850	31,232,154
Japan.....	1,000	1,000	1,000	36,743,710
Lebanon.....	75	75	75	2,755,778
Liberia.....	2	2	2	73,487
Mexico.....	415	415	415	15,248,640
Netherlands.....	675	675	675	24,802,004
New Zealand.....	160	160	160	5,878,994
Nicaragua.....	10	10	10	367,437
Norway.....	230	230	230	8,451,053
Panama.....	20	20	20	734,874
Peru.....	185	185	185	6,797,586
Philippines.....	236	236	236	8,671,515
Portugal.....	175	175	175	6,430,149
Saudi Arabia.....	60	60	60	2,204,623
Spain.....	145	145	145	5,327,838
Sweden.....	25	25	25	918,593
Switzerland.....	215	215	215	7,899,898
Union of South Africa.....	320	320	320	11,757,987
United Kingdom.....	4,819	4,819	4,819	177,067,939
Venezuela.....	170	170	170	6,246,431
Total (42 countries).....	16,208	16,208	16,208	595,542,052

ANNEX B TO ARTICLE III Guaranteed sales

Crop-year August 1 to July 31	1953/54	1954/55	1955/56	Equivalent in bushels for each crop-year
Thousands of metric tons				
Australia*.....	2,041	2,041	2,041	75,000,000
Canada.....	6,804	6,804	6,804	250,000,000
France.....	10	10	10	367,437
United States of America.....	7,353	7,353	7,353	270,174,615
Total.....	16,208	16,208	16,208	595,542,052

*In the event of the provisions of Article X being invoked by Australia by reason of a short crop, it will be recognized that certain markets, by virtue of their geographical position, are traditionally dependent upon Australia for the supply of their requirements of wheat grain and wheat-flour. The necessity of meeting these requirements will be one of the factors to be taken into account by the Council in determining the ability of Australia to deliver its guaranteed sales under this Agreement in any crop-year.

Article IV—Recording of transactions against guaranteed quantities

1. The Council shall keep records for each crop-year of those transactions and parts of transactions in wheat which are part of the guaranteed quantities in Annexes A and B to Article III.

2. A transaction or part of a transaction in wheat grain between an exporting country and an importing country shall be entered in the Council's records against the guaranteed quantities of those countries for a crop-year:

(a) provided that (i) it is at a price not higher than the maximum nor lower than the minimum specified in or determined under Article VI for that crop-year, and (ii) the exporting country and the importing country have not agreed that it shall not be entered against their guaranteed quantities; and

(b) to the extent that (i) both the exporting and the importing country concerned have unfulfilled guaranteed quantities for that crop-year, and (ii) the loading period specified in the transaction falls within that crop-year.

3. A transaction or part of a transaction for the purchase and sale of wheat shall be eligible for entry in the Council's records against the guaranteed quantities of the exporting and importing countries concerned on the conditions specified in this Article, notwithstanding that the transaction has been entered into before the deposit of its instrument of acceptance of this Agreement by either or both of those countries.

4. If a commercial contract or governmental agreement on the sale and purchase of wheat-flour contains a statement, or if the exporting country and the importing country concerned inform the Council that they are agreed, that the price of such wheat-flour is consistent with the prices specified in or determined under Article VI, the wheat grain equivalent of such wheat-flour shall, subject to the conditions prescribed in (a) (ii) and (b) of paragraph 2 of this Article, be entered in the Council's records against the guaranteed quantities of those countries. If the commercial contract or governmental agreement does not contain a statement of the nature referred to above and the exporting country and the importing country concerned do not agree that the price of the wheat-flour is consistent with the prices specified in or determined under Article VI, either of those countries may, unless they have agreed that the wheat grain equivalent of that wheat-flour shall not be entered in the Council's records against their guaranteed quantities, request the Council to decide the issue. Should the Council, on consideration of such a request, decide that the price of such wheat-flour is consistent with the prices specified in or determined under Article VI, the wheat grain equivalent of the wheat-flour shall be entered against the guaranteed quantities of the exporting and importing countries concerned, subject to the conditions prescribed in (b) of paragraph 2 of this Article. Should the Council, on consideration of such a request, decide that the price of such wheat-flour is inconsistent with the prices specified in or determined under Article VI, the wheat grain equivalent of the wheat-flour shall not be so entered.

5. Provided that the conditions prescribed in paragraphs 2 or 4 of this Article, other than that in (b) (ii) of paragraph 2, are satisfied, the Council may authorize transactions to be recorded against guaranteed quantities for a crop-year if (a) the loading period specified in the transaction is within a reasonable time up to one month, to be decided by the Council, before the beginning or after the end of that crop-year, and (b)

the exporting and importing country concerned so agree.

6. The Council shall prescribe rules of procedure, in accordance with the following provisions, for the reporting and recording of transactions which are part of the guaranteed quantities:

(a) Any transaction or part of a transaction, between an exporting country and an importing country, qualifying under paragraph 2, 3, or 4 of this Article to form part of the guaranteed quantities of those countries shall be reported to the Council within such period and in such detail and by one or both of those countries as the Council shall lay down in its rules of procedure.

(b) Any transaction or part of a transaction reported in accordance with the provisions of subparagraph (a) shall be entered in the Council's records against the guaranteed quantities of the exporting country and the importing country between which the transaction is made.

(c) The order in which transactions and parts of transactions shall be entered in the Council's records against the guaranteed quantities shall be prescribed by the Council in its rules of procedure.

(d) The Council shall, within a time to be prescribed in its rules of procedure, notify each exporting country and each importing country of the entry of any transaction or part of a transaction in the Council's records against their guaranteed quantities.

(e) If, within a period which the Council shall prescribe in its rules of procedure, the importing country or the exporting country concerned objects in any respect to the entry of a transaction or part of a transaction in the Council's records against its guaranteed quantity, the Council shall review the matter and, if it decides that the objection is well founded, shall amend its records accordingly.

(f) If any exporting or importing country considers it probable that the full amount of wheat already entered in the Council's records against its guaranteed quantity for the current crop-year will not be loaded within that crop-year, that country may request the Council to make appropriate reductions in the amounts entered in its records. The Council shall consider the matter and, if it decides that the request is justified, shall amend its records accordingly.

(g) Any wheat purchased by an importing country from an exporting country and resold to another importing country may, by agreement of the importing countries concerned, be entered against the unfulfilled guaranteed purchases of the importing country to which the wheat is finally resold, provided that a corresponding reduction is made in the amount entered against the guaranteed purchases of the first importing country.

(h) The Council shall send to all exporting and importing countries, weekly or at such other interval as the Council may prescribe in its rules of procedure, a statement of the amounts entered in its records against guaranteed quantities.

(i) The Council shall notify all exporting and importing countries immediately when the guaranteed quantity of any exporting or importing country for any crop-year has been fulfilled.

7. Each exporting country and each importing country may be permitted, in the fulfillment of its guaranteed quantity, a degree of tolerance to be prescribed by the Council for that country on the basis of its guaranteed quantity and other relevant factors.

Article V—Enforcement of rights

1. (a) Any importing country which finds difficulty in purchasing its unfulfilled guaranteed quantity for any crop-year at prices consistent with the maximum prices speci-

fied in or determined under Article VI may request the Council's help in making the desired purchases.

(b) Within three days of the receipt of a request under subparagraph (a) the Secretary of the Council shall notify those exporting countries which have unfulfilled guaranteed quantities for the relevant crop-year of the amount of the unfulfilled guaranteed quantity of the importing country which has requested the Council's help and invite them to offer to sell wheat at prices consistent with the maximum prices specified in or determined under Article VI.

(c) If within fourteen days of the notification by the Secretary of the Council under subparagraph (b) the whole of the unfulfilled guaranteed quantity of the importing country concerned, or such part thereof as in the opinion of the Council is reasonable at the time the request is made, has not been offered for sale, the Council shall, as soon as possible, decide:

(i) the quantities

and also, if requested,

(ii) the quality and grade

of wheat grain and/or wheat-flour which each or any of the exporting countries is required to offer to sell to that importing country for loading during the relevant crop-year or within such time thereafter, not exceeding one month, as the Council may decide. The Council shall decide on (i) and (ii) above after receiving an assurance, if requested, that the wheat grain or wheat-flour is to be used for consumption in the importing country or for normal or traditional trade; and in reaching its decision the Council shall also take into account any circumstances which the exporting and the importing countries may submit, including in relation to the proportion of wheat-flour.

(iii) and the industrial programs of any country

(iv) and the normal traditional volume and ratio of imports of wheat-flour and wheat grain and the quality and grade of wheat-flour and wheat grain imported by the importing country concerned.

(d) Each exporting country required by the Council's decision under subparagraph (c) to offer quantities of wheat grain and/or wheat-flour for sale to the importing country shall, within thirty days from the date of that decision, offer to sell those quantities to such importing country for loading during the period provided under subparagraph (c) at prices consistent with the maximum prices specified in or determined under Article VI and, unless those countries agree otherwise, on the same conditions regarding the currency in which payment is to be made as prevail generally between them at that time. If no trade relations have hitherto existed between the exporting country and the importing country concerned and if those countries fail to agree on the currency in which payment is to be made, the Council shall decide the issue.

(e) In case of disagreement between an exporting country and an importing country on the quantity of wheat-flour to be included in a particular transaction being negotiated in compliance with the Council's decision under subparagraph (c), or on the relation of the price of such wheat-flour to the maximum prices of wheat grain specified in or determined under Article VI, or on the conditions on which the wheat grain and/or wheat-flour shall be bought and sold, the matter shall be referred to the Council for decision.

2. (a) Any exporting country which finds difficulty in selling its unfulfilled guaranteed quantity for any crop-year at prices consistent with the minimum prices specified in or determined under Article VI may request the Council's help in making the desired sales.

(b) Within three days of the receipt of a request under subparagraph (a) the Secretary of the Council shall notify those importing countries which have unfulfilled guaranteed quantities for the relevant crop-year of the amount of the unfulfilled guaranteed quantity of the exporting country which has requested the Council's help and invite them to offer to purchase wheat at prices consistent with the minimum prices specified in or determined under Article VI.

(c) If within fourteen days of the notification by the Secretary of the Council under subparagraph (b) the whole of the unfulfilled guaranteed quantity of the exporting country concerned, or such part thereof as in the opinion of the Council is reasonable at the time the request is made, has not been purchased, the Council shall, as soon as possible decide:

(i) the quantities

and also, if requested,

(ii) the quality and grade

of wheat grain and/or wheat-flour which each or any of the importing countries is required to offer to purchase from that exporting country for loading during the relevant crop-year or within such time thereafter, not exceeding one month, as the Council may decide.

In reaching its decision on (i) and (ii) above, the Council shall take into account any circumstances which the exporting and the importing countries may submit, including in relation to the proportion of wheat-flour:

(iii) the industrial programs of any country and

(iv) the normal traditional volume and ratio of imports of wheat-flour and wheat grain and the quality and grade of wheat-flour and wheat grain imported by the importing countries concerned.

(d) Each importing country required by the Council's decision under subparagraph (c) to offer to purchase quantities of wheat grain and/or wheat-flour from the exporting country shall, within thirty days from the date of that decision, offer to purchase those quantities from such exporting country for loading during the period provided under subparagraph (c) at prices consistent with the minimum prices specified in or determined under Article VI and, unless those countries agree otherwise, on the same conditions regarding the currency in which payment is to be made as prevail generally between them at that time. If no trade relations have hitherto existed between the exporting country and the importing country concerned and if those countries fail to agree on the currency in which payment is to be made, the Council shall decide the issue.

(e) In case of disagreement between an exporting country and an importing country on the quantity of wheat-flour to be included in a particular transaction being negotiated in compliance with the Council's decision under subparagraph (c), or on the relation of the price of such wheat-flour to the minimum prices of wheat grain specified in or determined under Article VI, or on the conditions on which the wheat grain and/or wheat-flour shall be bought and sold, the matter shall be referred to the Council for decision.

3. For the purposes of this Article Port Churchill shall not be a port of shipment.

Article VI—Prices

1. (a) The basic minimum and maximum prices for the duration of this Agreement shall be:

Minimum	\$1.55
Maximum	\$2.05

Canadian currency per bushel at the parity for the Canadian dollar, determined for the purposes of the International Monetary

Fund as at March 1, 1949 for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur. The basic minimum and maximum prices, and the equivalents thereof hereafter referred to, shall exclude such carrying charges and marketing costs as may be agreed between the buyer and the seller.

(b) Carrying charges as agreed between the buyer and seller may accrue for the buyer's account only after an agreed date specified in the contract under which the wheat is sold.

2. The equivalent maximum prices for bulk wheat for:

(a) No. 1 Manitoba Northern wheat in store Vancouver shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article;

(b) No. 1 Manitoba Northern wheat f. o. b. Port Churchill, Manitoba, shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using currently prevailing transportation costs and exchange rates;

(c) f. a. q. wheat in store Australian ocean ports shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, converted into Australian currency at the prevailing rate of exchange;

(d) sample wheat of France (minimum natural weight seventy-six kilograms per hectolitre; minimum protein content ten per cent; maximum dockage and moisture content two per cent and fifteen per cent respectively) in store French ports shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, converted into the currency of France at the prevailing rate of exchange;

(e) No. 1 Hard Winter wheat f. o. b. Gulf/Atlantic ports of the United States of America shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned; and

(f) No. 1 Soft White wheat or No. 1 Hard Winter wheat in store Pacific ports of the United States of America shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using the prevailing rate of exchange and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

3. The equivalent minimum price for bulk wheat for:

(a) No. 1 Manitoba Northern wheat f. o. b. Vancouver,

(b) No. 1 Manitoba Northern wheat f. o. b. Port Churchill, Manitoba,

(c) f. a. q. wheat f. o. b. Australia,

(d) sample wheat of France (minimum natural weight seventy-six kilograms per hectolitre; minimum protein content ten per cent; maximum dockage and moisture content two per cent and fifteen per cent respectively) f. o. b. French ports,

(e) No. 1 Hard Winter wheat f. o. b. Gulf/Atlantic ports of the United States of America, and

(f) No. 1 Soft White wheat or No. 1 Hard Winter wheat f. o. b. Pacific ports of the United States of America,

shall be respectively:

the f. o. b. prices Vancouver, Port Churchill, Australia, France, United States of America Gulf/Atlantic ports and the United States of America Pacific ports equivalent to the c. & f. prices in the United Kingdom of Great Britain and Northern Ireland of the minimum prices for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using currently prevailing transportation costs and exchange rates and, in those importing countries where a quality differential is recognized, by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

4. The Executive Committee may, in consultation with the Advisory Committee on Price Equivalents, determine the minimum and maximum price equivalents for wheat at points other than those specified above and may also designate any description of wheat other than those specified in paragraphs 2 and 3 above and determine the minimum and maximum price equivalents thereof; provided that, in the case of any other description of wheat the price equivalent of which has not yet been determined, the minimum and maximum prices for the time being shall be derived from the minimum and maximum prices of the description of wheat specified in this Article, or subsequently designated by the Executive Committee in consultation with the Advisory Committee on Price Equivalents, which is most closely comparable to such other description, by the addition of an appropriate premium or by the deduction of an appropriate discount.

5. If any exporting or importing country represents to the Executive Committee that any price equivalent established under paragraph 2, 3, or 4 of this Article is, in the light of current transportation or exchange rates or market premiums or discounts, no longer fair, the Executive Committee shall consider the matter and may, in consultation with the Advisory Committee on Price Equivalents, make such adjustment as it considers desirable.

6. If a dispute arises as to what premium or discount is appropriate for the purposes of paragraphs 4 and 5 of this Article in respect of any description of wheat specified in paragraph 2 or 3 or designated under paragraph 4 of this Article, the Executive Committee in consultation with the Advisory Committee on Price Equivalents, shall on the request of the exporting or importing country concerned decide the issue.

7. All decisions of the Executive Committee under paragraphs 4, 5, and 6 of this Article shall be binding on all exporting and importing countries, provided that any of those countries which considers that any such decision is disadvantageous to it may ask the Council to review that decision.

8. In order to encourage and expedite the conclusion of transactions in wheat between them at prices mutually acceptable in the light of all the circumstances, the exporting and importing countries, while reserving to themselves complete liberty of action in the determination and administration of their internal agricultural and price policies, shall endeavor not to operate those policies in such a way as to impede the free movement of prices between the maximum price and the minimum price in respect of transactions in wheat into which the exporting and importing countries are prepared to enter. Should any exporting or importing country consider that it is suffering hardship as the result of such policies, it may draw the attention of the Council to the matter and the Council shall inquire into and make a report on the complaint.

Article VII—Stocks

1. In order to assure supplies of wheat to importing countries, each exporting country

shall endeavor to maintain stocks of old crop wheat at the end of its crop-year at a level adequate to ensure that it will fulfill its guaranteed sales under this Agreement in each subsequent crop-year.

2. In the event of a short crop being harvested by an exporting country, particular consideration shall be given by the Council to the efforts made by that exporting country to maintain adequate stocks as required by paragraph 1 of this Article before that country is relieved of any of its obligations under Article X.

3. In order to avoid disproportionate purchases of wheat at the beginning and end of a crop-year, which might prejudice the stabilization of prices under this Agreement and render difficult the fulfillment of the obligations of all exporting and importing countries, importing countries shall endeavor to maintain adequate stocks at all times.

4. In the event of an appeal by an importing country under Article XII, particular consideration shall be given by the Council to the efforts made by that importing country to maintain adequate stocks as required by paragraph 3 of this Article before it decides in favor of such an appeal.

Article VIII—Information to be supplied to the Council

The exporting and importing countries shall report to the Council, within the time prescribed by it, such information as the Council may request in connection with the administration of this Agreement.

PART 3—ADJUSTMENT OF GUARANTEED QUANTITIES

Article IX—Adjustments in case of nonparticipation or withdrawal of countries

1. In the event of any difference occurring between the total of the guaranteed purchases in Annex A to Article III and the total of the guaranteed sales in Annex B to Article III as a result of any country listed in Annex A or Annex B (a) not signing or (b) not depositing an instrument of acceptance of or (c) withdrawing under paragraph 5, 6, or 7 of Article XXII from or (d) being expelled under Article XIX from or (e) being found by the Council under Article XIX to be in default of the whole or part of its guaranteed quantity under this Agreement, the Council shall, without prejudice to the right of any country to withdraw from this Agreement under paragraph 6 of Article XXII, adjust the remaining guaranteed quantities so as to make the total in the one Annex equal to the total in the other Annex.

2. The adjustment under this Article shall, unless the Council decides otherwise by two-thirds of the votes cast by the exporting countries, and two-thirds of the votes cast by the importing countries, be made by reducing pro rata the guaranteed quantities in Annex A or Annex B, as the case may be, by the amount necessary to make the total in the one Annex equal to the total in the other Annex.

3. In making adjustments under this Article, the Council shall keep in mind the general desirability of maintaining the total guaranteed purchases and the total guaranteed sales at the highest possible level.

Article X—Adjustment in case of short crop or necessity to safeguard balance of payments or monetary reserves

1. Any exporting or importing country which fears that it may be prevented, by a short crop in the case of an exporting country or the necessity to safeguard its balance of payments or monetary reserves in the case of an importing country, from carrying out its obligations under this Agreement in respect of a particular crop-year shall report the matter to the Council at the earliest possible date and apply to the Council to be relieved of the whole or a part of its obligations for that crop-year. An application

made to the Council pursuant to this paragraph shall be heard without delay.

2. If the matter relates to a short crop, the Council shall, in dealing with the request for relief, review the reporting country's supply situation.

3. If the matter relates to balance of payments or monetary reserves, the Council shall seek and take into account, together with all facts which it considers relevant, the opinion of the International Monetary Fund, as far as the matter concerns a country which is a member of the Fund, on the existence and extent of the necessity referred to in paragraph 1 of this Article.

4. The Council shall, in dealing with a request for relief under this Article, adhere to the principle that the country concerned will to the maximum extent feasible, if it is an exporting country, make sales to meet its obligations under this Agreement and, if it is an importing country, make purchases to meet its obligations under this Agreement.

5. The Council shall decide whether the reporting country's representations are well founded. If it finds they are well founded, it shall decide to what extent and on what conditions the reporting country shall be relieved of its guaranteed quantity for the crop-year concerned. The Council shall inform the reporting country of its decision.

6. If the Council decides that the reporting country shall be relieved of the whole or part of its guaranteed quantity for the crop-year concerned, the following procedure shall apply:

(a) The Council shall, if the reporting country is an importing country, invite the other importing countries, or, if the reporting country is an exporting country, invite the other exporting countries, to increase their guaranteed quantities for the crop-year concerned up to the amount of the guaranteed quantity of which the reporting country is relieved. Any increase in guaranteed quantities under this subparagraph shall require the approval of the Council.

(b) If the amount of which the reporting country is relieved cannot be fully offset in the manner provided in (a) of this paragraph, the Council shall invite the exporting countries, if the reporting country is an importing country, or the importing countries, if the reporting country is an exporting country, to accept a reduction of their guaranteed quantities for the crop-year concerned up to the amount of the guaranteed quantity of which the reporting country is relieved after taking account of any adjustments made under (a) of this paragraph.

(c) If the total offers received by the Council from the exporting and importing countries to increase their guaranteed quantities under (a) of this paragraph or to reduce their guaranteed quantities under (b) of this paragraph exceed the amount of the guaranteed quantity of which the reporting country is relieved, their guaranteed quantities shall, unless the Council decides otherwise, be increased or reduced, as the case may be, on a pro rata basis, provided that the increase or reduction of the guaranteed quantity of any such country shall not exceed its offer.

(d) If the amount of the guaranteed quantity of which the reporting country is relieved cannot be fully offset in the manner provided in (a) and (b) of this paragraph, the Council shall reduce the guaranteed quantities in Annex A to Article III, if the reporting country is an exporting country, or in Annex B to Article III, if the reporting country is an importing country, for the crop-year concerned by the amount necessary to make the total in the one Annex equal to the total in the other Annex. Unless the exporting countries in the case of a reduction in Annex B, or the importing countries in the case of a reduction in Annex A, agree otherwise, the reduction shall be made on a pro rata basis, account being

taken of any reduction already made under (b) of this paragraph.

Article XI—Adjustments of guaranteed quantities by consent

1. The Council, when requested to do so by the exporting and importing countries whose guaranteed quantities would thereby be changed, may approve increases in the guaranteed quantities in one Annex to Article III for the remaining period of the Agreement together with equivalent increases in the guaranteed quantities in the other Annex for that period.

2. An exporting country may transfer part of its guaranteed quantity to another exporting country and an importing country may transfer part of its guaranteed quantity to another importing country for one or more crop years, subject to approval by the Council by a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries.

3. The guaranteed quantity of any country acceding under Article of this Agreement shall be offset by appropriate adjustments by way of increase or decrease of the guaranteed quantities of one or more other countries in Annexes A and B to Article III. Such adjustments shall not be approved unless each exporting or importing country whose guaranteed quantity is thereby changed has consented.

Article XII—Additional purchases in case of critical need

In order to meet a critical need which has arisen or threatens to arise in its territory, and importing country may appeal to the Council for assistance in obtaining supplies of wheat in addition to its guaranteed purchases. On consideration of such an appeal the Council may reduce pro rata the guaranteed quantities of the other importing countries in order to provide the quantity of wheat which it determines to be necessary to relieve the emergency created by the critical need, provided that it considers that such emergency cannot be met in any other manner. Two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries shall be required for any reduction of guaranteed purchases under this paragraph.

PART 4—ADMINISTRATION

Article XIII—The Council

A. Constitution

1. The International Wheat Council, established by the International Wheat Agreement which was opened for signature in Washington on March 23, 1949, shall continue in being for the purpose of administering the present Agreement.

2. Each exporting country and each importing country shall be a voting member of the Council and may be represented at its meetings by one delegate, alternates, and advisers.

3. Such intergovernmental organizations as the Council may decide to invite may each have one non-voting representative in attendance at meetings of the Council.

4. The Council shall elect for each crop-year a Chairman and a Vice Chairman.

B. Powers and Functions

5. The Council shall establish its rules of procedure.

6. The Council shall keep such records as are required by the terms of this Agreement and may keep such other records as it considers desirable.

7. The Council shall publish an annual report and may publish any other information concerning matters within the scope of this Agreement.

8. The Council shall have such other powers and perform such other functions as it may deem necessary to carry out the terms of this Agreement.

9. The Council may, by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries, delegate the exercise of any of its powers or functions. The Council may at any time revoke such delegation by a majority of the votes cast. Any decision made under any powers or functions delegated by the Council in accordance with this paragraph, shall be subject to review by the Council at the request of any exporting or importing country made within a period which the Council shall prescribe. Any decision, in respect of which no request for review has been made within the prescribed period, shall be binding on all exporting and importing countries.

C. Voting

10. (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph, the importing countries shall hold 1,000 votes, which shall be distributed among them in the proportions which their respective guaranteed purchases for the current crop-year bear to the total of the guaranteed purchases for that crop year. The exporting countries shall also hold 1,000 votes, which shall be distributed among them in the proportion which their respective guaranteed sales for the current crop-year bear to the total of the guaranteed sales for that crop-year.

(b) If at any Session of the Council an importing country or an exporting country is not represented by an accredited delegate and has not authorized another country to exercise its votes in accordance with paragraph 15 of this Article, the total votes to be exercised by the exporting countries shall be adjusted to a figure equal to the total of votes to be exercised at that Session by the importing countries and redistributed among exporting countries in proportion to their guaranteed sales.

(c) No exporting country or importing country shall have less than one vote and there shall be no fractional votes.

11. The Council shall redistribute the votes in accordance with the provisions of paragraph 10 of this Article whenever there is any change in the guaranteed purchases or guaranteed sales for the current crop-year.

12. If an exporting or an importing country forfeits its votes under paragraph 5 of Article XVII or is deprived of its votes under paragraph 7 of Article XIX, the Council shall redistribute the votes as if that country had no guaranteed quantity for the current crop-year.

13. Any reduction in its guaranteed quantity accepted by an exporting country or an importing country under paragraph 6 (b) of Article X and any transfer of part of a country's guaranteed quantity for only one crop-year under paragraph 2 of Article XI shall be disregarded for the purpose of redistributing votes under this Article.

14. Except where otherwise specified in this Agreement, decisions of the Council shall be by a majority of the total votes cast.

15. Any exporting country may authorize any other exporting country, and any importing country may authorize any other importing country, to represent its interests and to exercise its votes at any meeting or meetings of the Council. Evidence of such authorization satisfactory to the Council shall be submitted to the Council.

D. Sessions

16. The Council shall meet at least once during each half of each crop-year and at such other times as the Chairman may decide.

17. The Chairman shall convene a Session of the Council if so requested by (a) five countries or (b) one or more countries holding a total of not less than 10 per cent of the total votes or (c) the Executive Committee.

E. Quorum

18. The presence of delegates with a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries prior to any adjustment of votes under paragraph 10 (b) of this Article shall be necessary to constitute a quorum at any meeting of the Council.

F. Seat

19. The seat of the Council shall be London unless the Council decides otherwise by a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries.

G. Legal Capacity

20. The Council shall have in the territory of each exporting and importing country such legal capacity as may be necessary for the exercise of its functions under this Agreement.

H. Decisions

21. Each exporting and importing country undertakes to accept as binding all decisions of the Council under the provisions of this Agreement.

Article XIV—Executive Committee

1. The Council shall establish an Executive Committee. The members of the Executive Committee shall be three exporting countries elected annually by the exporting countries and not more than eight importing countries elected annually by the importing countries. The Council shall appoint the Chairman of the Executive Committee and may appoint a Vice Chairman.

2. The Executive Committee shall be responsible to and work under the general direction of the Council. It shall have such powers and functions as are expressly assigned to it under this Agreement and such other powers and functions as the Council may delegate to it under paragraph 9 of Article XIII.

3. The exporting countries on the Executive Committee shall have the same total number of votes as the importing countries. The votes of the exporting countries shall be divided among them as they shall decide, provided that no exporting country shall have more than forty per cent of the total votes of the exporting countries. The votes of the importing countries shall be divided among them as they shall decide, provided that no importing country shall have more than forty per cent of the total votes of the importing countries.

4. The Council shall prescribe rules of procedure regarding voting in the Executive Committee and may make such other provisions regarding rules of procedure in the Executive Committee as it thinks fit. A decision of the Executive Committee shall require the same majority of votes as this Agreement prescribes for the Council when making a decision on a similar matter.

5. Any exporting or importing country which is not a member of the Executive Committee may participate, without voting, in the discussion of any question before the Executive Committee whenever the latter considers that the interests of that country are affected.

Article XV—Advisory Committee on Price Equivalents

The Council shall establish an Advisory Committee on Price Equivalents consisting of representatives of three exporting countries and of three importing countries. The Committee shall advise the Council and the Executive Committee on the matters referred to in paragraphs 4, 5, and 6 of Article VI and on such other questions as the Council or the Executive Committee may refer to it. The Chairman of the Committee shall be appointed by the Council.

Article XVI—The Secretariat

1. The Council shall have a Secretariat consisting of a Secretary and such staff as may be required for the work of the Council and of its committees.

2. The Council shall appoint the Secretary and determine his duties.

3. The staff shall be appointed in accordance with regulations established by the Council.

Article XVII—Finance

1. The expenses of delegations to the Council, of representatives on the Executive Committee, and of representatives on the Advisory Committee on Price Equivalents shall be met by their respective Governments. The other expenses necessary for the administration of this Agreement, including those of the Secretariat and any remuneration which the Council may decide to pay to its Chairman or its Vice Chairman, shall be met by annual contributions from the exporting and importing countries. The contribution of each such country for each crop-year shall be in the proportion which its guaranteed quantity bears to the total guaranteed sales or purchases at the beginning of that crop-year.

2. At its first Session after this Agreement comes into force, the Council shall approve its budget for the period ending July 31, 1954, and assess the contribution to be paid by each exporting and importing country.

3. The Council shall, at its first Session during the second half of each crop-year, approve its budget for the following crop-year and assess the contribution to be paid by each exporting and importing country for that crop-year.

4. The initial contribution of any exporting or importing country acceding to this Agreement under Article XXI shall be assessed by the Council on the basis of the guaranteed quantity to be held by it and the period remaining in the current crop-year, but the assessments made upon other exporting and importing countries for the current crop-year shall not be altered.

5. Contributions shall be payable immediately upon assessment. Any exporting or importing country failing to pay its contribution within one year of its assessment shall forfeit its voting rights until its contribution is paid, but shall not be deprived of its other rights nor relieved of its obligations under this Agreement. In the event of any exporting or importing country forfeiting its voting rights under this paragraph its votes shall be redistributed as provided in paragraph 12 of Article XIII.

6. The Council shall, each crop-year, publish an audited statement of its receipts and expenditures in the previous crop-year.

7. The Government of the country where the seat of the Council is situated shall grant exemption from taxation on the salaries paid by the Council to its employees except that such exemption need not apply to the nationals of that country.

8. The Council shall, prior to its dissolution, provide for the settlement of its liabilities and the disposal of its records and assets.

Article XVIII—Cooperation with other intergovernmental organizations

1. The Council may make whatever arrangements are desirable for consultation and cooperation with the appropriate organs of the United Nations and its specialized agencies and with other intergovernmental organizations.

2. If the Council finds that any terms of this Agreement are materially inconsistent with such requirements as may be laid down by the United Nations or through its appropriate organs and specialized agencies regarding intergovernmental commodity agreements, the inconsistency shall be deemed to be a circumstance affecting adversely the operation of this Agreement and the proce-

dures prescribed in paragraphs 3, 4, and 5 of Article XXII shall be applied.

Article XIX—Disputes and complaints

1. Any dispute concerning the interpretation or application of this Agreement, which is not settled by negotiations, shall, at the request of any country party to the dispute, be referred to the Council for decision.

2. In any case where a dispute has been referred to the Council under paragraph 1 of this Article, a majority of countries, or any countries holding not less than one-third of the total votes, may require the Council, after full discussion, to seek the opinion of the advisory panel referred to in paragraph 3 of this Article on the issues in dispute before giving its decision.

3. (a) Unless the Council unanimously agrees otherwise, the panel shall consist of:

(i) two persons, one having wide experience in matters of the kind in dispute, and the other having legal standing and experience, nominated by the exporting countries;

(ii) two such persons nominated by the importing countries; and

(iii) a chairman selected unanimously by the four persons nominated under (i) and (ii) or, if they fail to agree, by the Chairman of the International Wheat Council.

(b) Persons from countries whose Governments are parties to this Agreement shall be eligible to serve on the advisory panel, and persons appointed to the advisory panel shall act in their personal capacities and without instructions from any Government.

(c) The expenses of the advisory panel shall be paid by the Council.

4. The opinion of the advisory panel and the reasons therefor shall be submitted to the Council which, after considering all the relevant information, shall decide the dispute.

5. Any complaint that any exporting or importing country has failed to fulfill its obligations under this Agreement shall, at the request of the country making the complaint, be referred to the Council which shall make a decision on the matter.

6. No exporting or importing country shall be found to have committed a breach of this Agreement except by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries. Any finding that an exporting or importing country is in breach of this Agreement shall specify the nature of the breach and, if the breach involves default by that country in its guaranteed quantity, the extent of such default.

7. If the Council finds that an exporting country or an importing country has committed a breach of this Agreement it may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, deprive the country concerned of its voting rights until it fulfills its obligations or expel that country from the Agreement.

8. If any exporting or importing country is deprived of its votes under this Article, the votes shall be redistributed as provided in paragraph 12 of Article XIII. If any exporting or importing country is found in default of the whole or part of its guaranteed quantity, or is expelled from this Agreement, the remaining guaranteed quantities shall be adjusted as provided in Article IX.

PART 5—FINAL PROVISIONS

Article XX—Signature, acceptance, and entry into force

1. This Agreement shall be open for signature in Washington until and including April 27, 1953 by the Governments of the countries listed in Annex A and Annex B to Article III.

2. This Agreement shall be subject to acceptance by signatory Governments in accordance with their respective constitutional procedures. Subject to the provisions of paragraph 4 of this Article, instruments of acceptance shall be deposited with the Govern-

ment of the United States of America not later than July 15, 1953 provided, however, that a notification by any signatory Government to the Government of the United States of America by July 15, 1953 of an intention to accept this Agreement, followed by the deposit of an instrument of acceptance not later than August 1, 1953 in fulfillment of that intention, shall be deemed to constitute acceptance on July 15, 1953 for the purposes of this Article.

3. Provided that the Governments of countries in Annex A to Article III responsible for not less than fifty per cent of the guaranteed purchases and the Governments of countries listed in Annex B to Article III responsible for not less than fifty per cent of the guaranteed sales have accepted this Agreement by July 15, 1953, Parts 1, 3, 4, and 5 of the Agreement shall enter into force on July 15, 1953 and Part 2 on August 1, 1953, for those Governments which have accepted the Agreement.

4. Any signatory Government which has not accepted this Agreement by July 15, 1953 as provided in paragraph 2 of this Article may be granted by the Council an extension of time after that date for depositing its instrument of acceptance. Parts 1, 3, 4, and 5 of this Agreement shall enter into force for that Government on the date of the deposit of its instrument of acceptance, and Part 2 of the Agreement shall enter into force on August 1, 1953 or on the date of the deposit of its instrument of acceptance whichever is later.

5. The Government of the United States of America will notify all signatory Governments of each signature and acceptance of this Agreement.

Article XXI—Accession

The Council may, by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries, approve accession to this Agreement by any Government not already a party to it and prescribe conditions for such accession; provided, however, that the Council shall not approve the accession of any Government under this Article unless at the same time it approves adjustments of the guaranteed quantities in Annexes A and B to Article III in accordance with paragraph 3 of Article XI. Accession shall be effected by depositing an instrument of accession with the Government of the United States of America, which will notify all signatory and acceding Governments of each such accession.

Article XXII—Duration, amendment, withdrawal, and termination

1. This Agreement shall remain in force until and including July 31, 1956.

2. The Council shall, at such time as it considers appropriate, communicate to the exporting and importing countries its recommendations regarding renewal or replacement of this Agreement.

3. The Council may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, recommend an amendment of this Agreement to the exporting and importing countries.

4. The Council may fix a time within which each exporting and importing country shall notify the Government of the United States of America whether or not it accepts the amendment. The amendment shall become effective upon its acceptance by exporting countries which hold two-thirds of the votes of the exporting countries and by importing countries which hold two-thirds of the votes of the importing countries.

5. Any exporting or importing country which has not notified the Government of the United States of America of its acceptance of an amendment by the date on which such amendment becomes effective may, after giving such written notice of with-

drawal to the Government of the United States of America as the Council may require in each case, withdraw from this Agreement at the end of the current crop-year, but shall not thereby be released from any obligations under this Agreement which have not been discharged by the end of that crop-year.

6. Any exporting country which considers its interests to be seriously prejudiced by the nonparticipation in or withdrawal from this Agreement of any country listed in Annex A to Article III responsible for more than five per cent of the guaranteed quantities in that Annex, or any importing country which considers its interests to be seriously prejudiced by the nonparticipation in or withdrawal from the Agreement of any country listed in Annex B to Article III responsible for more than five percent of the guaranteed quantities in that Annex, may withdraw from this Agreement by giving written notice of withdrawal to the Government of the United States of America before August 1, 1953.

7. Any exporting or importing country which considers its national security to be endangered by the outbreak of hostilities may withdraw from this Agreement by giving thirty days' written notice of withdrawal to the Government of the United States of America.

8. The Government of the United States of America will inform all signatory and acceding Governments of each notification and notice received under this Article.

Article XXIII—Territorial application

1. Any Government may, at the time of signature or acceptance of or accession to this Agreement, declare that its rights and obligations under the Agreement shall not apply in respect of all or any of the overseas territories for the foreign relations of which it is responsible.

2. With the exception of territories in respect of which a declaration has been made in accordance with paragraph 1 of this Article, the rights and obligations of any Government under this Agreement shall apply in respect of all territories for the foreign relations of which that Government is responsible.

3. Any Government may, at any time after its acceptance of or accession to this Agreement, by notification to the Government of the United States of America, declare that its rights and obligations under the Agreement shall apply in respect of all or any of the territories regarding which it has made a declaration in accordance with paragraph 1 of this Article.

4. Any Government may, by giving notification of withdrawal to the Government of the United States of America, withdraw from this Agreement separately in respect of all or any of the overseas territories for whose foreign relations it is responsible.

5. The Government of the United States of America will inform all signatory and acceding Governments of any declaration or notification made under this Article.

In witness whereof the undersigned, having been duly authorized to this effect by their respective Governments, have signed this Agreement on the dates appearing opposite their signatures.

Done at Washington, this thirteenth day of April 1953, in the English, French, and Spanish languages, all texts being equally authentic, the original to be deposited in the archives of the Government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding Government.

For Australia:

PERCY C SPENDER

April 20th, 1953

Subject to the acceptance however of the reservation that in the event of the nonparticipation in or withdrawal from the Agreement by any one or more of

such of the Governments of such importing countries listed in Annex "A" to Article III thereof as in the opinion of the Government of the Commonwealth of Australia are traditional markets for Australian wheat or in the event of any one or more of such countries reducing its or their respective guaranteed quantities below the quantities shown for them respectively in the said Annex A the Government of the Commonwealth of Australia if it shall have accepted the Agreement may request such reduction to the guaranteed quantity shown in respect of Australia in Annex B to Article III of the said Agreement as may in its opinion be necessary to enable Australia to supply to such importing country or countries the quantities of wheat which Australia would normally expect to supply to it or them as the case may be and may withdraw from the said Agreement if any such request for reduction be not met. PCS.

For Austria:

MAX LOEWENTHAL April 13th 1953

For the Kingdom of Belgium:

SILVERCRUYS April 13th 1953.

Cette signature est donnée pour l'Union Economique Belgo Luxembourgeoise./.

For Bolivia:

A P DEL CASTILLO April 20th, 1953.

For Brazil:

ADOLPHO DE CAMARGO NEVES April 24th 1953

For Canada:

MITCHELL W. SHARP April 13/53

For Ceylon:

G. C. S. Corea. April 13th, 1953.

For Costa Rica:

J Rafael Oreamuno April 24, 1953.

For Cuba:

Aurelio F. Concheso. April 15-1953.

For Denmark:

A F Knudsen. April 13, -1953.

For the Dominican Republic:

Ad. referendum

Dr L. F THOMEN April 13/53

For Ecuador:

Ad. referendum

B PERALTA P April 17/53

For Egypt:

M. A. ZAYED April 13, 1953

For El Salvador:

CARLOS A SIRI April 27, 1953

For France:

H BONNET 13 avril 1953

For the Federal Republic of Germany:

Dr. HEINZ KREKELER 21 April 1953

Dr KURT HAEFNER 13 April 1953

For Greece:

C. P. CARANICAS April 23, 1953

For Guatemala:

GUILLERMO TORIELLO 13 de Abril de 1953.

For Haiti:

ALAIN TURNIER 13 avril 1953

For Honduras:

José A. MONGE April 23rd, 1953

For Iceland:

THOR THORS April 27, 1953

For India:

I J BAHADUR SINGH. April 17th 1953.

For Indonesia:

ALI-SASTROAMIDJOJO. April, 27, 1953

For Ireland:

JOHN J. HEARNE. April 24th, 1953.

For Israel:

ABBA EBAN April 21, 1953.

For Italy:

ALBERTO TARCHIANI April 13th 1953

For Japan:

RYUJI TAKEUCHI April 13 1953.

For Lebanon:

SAEB JAROUDI April 14 1953

For Liberia:

J. SAMUEL O COLEMAN 13 April 1953

For Mexico:

MANUEL TELLO. 23 de abril de 1953.

For the Kingdom of the Netherlands:

J. H. VAN ROIJEN. April 13th 1953.

For New Zealand:

L. K. MUNRO April 27, 1953.

For Nicaragua:

ad referendum

GUILLERMO SEVILLA-SACASA April 21, 1953

ALFREDO AVILÉS G. April 21, 1953

For the Kingdom of Norway:

JOHAN CAPELEN. April 20, 1953.

For Panama:

R M HEURTEMATTE April 24, 1953

For Peru:

with the understanding that Peru's quota be increased to 200,000 metric tons, the amount originally requested by my country and which is the minimum quantity required to cover our bare necessities

C DONAYRE April 27, 1953

For the Republic of the Philippines:

URBANO A. ZAFRA April 13, 1953

JOSE TEODORO, Jr. April 13, 1953

For Portugal:

L. ESTEVES FERNANDES April the 15th, 1953

For Saudi Arabia:

MOHAMMED MUHTASIB April 21, 1953

For Spain:

José F. DE LEQUERICA April 24-1953

For Sweden:

M. VON WACHENFELT April 17th, 1953.

For Switzerland:

CHARLES BRUGGMANN le 13 avril 1953

For the Union of South Africa:

G. P. JOOSTE April 21, 1953.

For the United Kingdom of Great Britain and Northern Ireland:

For the United States of America:

TRUE D. MORSE, April 13, 1953

EZRA TAFT BENSON April 16, 1953

For Venezuela:

ad-referendum

CÉSAR GONZÁLEZ April 27, 1953.

I certify that the foregoing is a true copy of the Agreement Revising and Renewing the International Wheat Agreement which was open for signature in the English, French, and Spanish languages at Washington from April 13 until April 27, 1953, inclusive, the signed original of which is deposited in the archives of the Government of the United States of America.

In testimony whereof, I, JOHN FOSTER DULLES, Secretary of State of the United States of America, have hereunto caused the seal of the Department of State to be affixed and my name subscribed by the Authentication Officer of the said Department, at the city of Washington, in the District of Columbia, this twenty-eighth day of April, 1953.

[SEAL] JOHN FOSTER DULLES
Secretary of State

By BARBARA HARTMAN
Authentication Officer
Department of State

Mr. LANGER. Mr. President, the Senate is asked to give its advice and consent to a new agreement which revises, renews, and extends for another 3 years the International Wheat Agreement of 1949 which expires on the 31st of this month. Article 20 of the new instrument sets July 15 as the ratification deadline.

Several Members of both Houses of Congress were privileged to participate in some way in the revision of this agreement, some in the capacity of advisers, others as members of the United States delegation. Many other Senators from the practical standpoint are familiar with the operation of the agreement.

Four years of experiment with this organization has proved it to be workable and efficient. In April and May of 1952 negotiations were instituted for its renewal and on April 13, 1953, the revised agreement was completed and subsequently signed by 4 exporting coun-

tries, namely, the United States, Australia, Canada, and France, and 45 importing countries. On June 2 the President sent the agreement to the Senate, which referred it to the Committee on Foreign Relations. A subcommittee held hearings and reported favorably to the full committee, which, in turn, on July 8, reported the agreement to the Senate with the recommendation that the Senate give its advice and consent to ratification and also recommended that the Senate pass a joint resolution of implementation.

The revised agreement covers an annual trade in wheat of 595 million bushels, of which the United States share is 270 million bushels. This represents approximately two-thirds of the world's international trade in wheat.

The agreement contains a number of technical details, but the main outline is clear and readily understood by the layman. Present arrangements are continued for international sales and purchases of wheat by a system of reciprocal guaranties by the participant governments. Supplies of wheat are assured to importing countries and markets for wheat are assured to exporting countries at equitable and fair prices. Each importing country agrees to purchase at a specified minimum price a specific quantity of wheat and each exporting country guarantees to sell a specific quantity of wheat at a specified maximum price. The minimum price under the agreement is fixed at \$1.55 and the maximum has been set at \$2.05 a bushel. These are substantially higher than the prices in the old agreement. Member countries which have difficulty in securing guaranteed sales or purchases may seek the assistance of the Council in securing the contracted quantities under the agreement.

The agreement provides for an International Council, on which all participating countries are represented, with responsibility for keeping the records of operations under the agreement and with serving as an agency to enforce the rights of the participating countries to sell and purchase wheat under the agreement. Participating countries are allotted votes in proportion to their share of the total quantity of wheat covered by the agreement and the votes are divided into 2 blocks of 1,000 each, 1 composed of the importing countries, the other of the exporting countries. The United States is allotted 453 votes of the exporting countries.

If Senators will look at the report before them they will find on page 7 that the revised agreement differs from the old in 10 main particulars. The loading period has been extended to provide greater flexibilities; members countries are permitted to transfer their quota from one or more crop years to another country, subject to Council approval; accession of new members may be facilitated by mutually agreed upon changes in quotas; limitations on purchases due to short crops are expanded; permission is given to the recording of sales made prior to the agreement; the escape clauses are tightened; adjustments to permit new importing countries to come

in are included; new provisions dealing with voting are added; an advisory panel to assist the Council in settling disputes is provided for; and numerous adjustments are made in exporting and importing country quotas.

Just one word about the subsidies involved in the agreement. The 1949 agreement has cost the United States an estimated \$565 million in subsidies for the entire 4 years of the agreement.

I desire to make it plain, Mr. President, that the \$565 million in subsidy covers the entire 4-year period.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LANGER. I yield to my distinguished colleague.

Mr. YOUNG. This morning I received some information from Dr. Wilcox, of the Library of Congress, as to how large a subsidy would be involved at present prices. I am advised that in June and July wheat prices at the Kansas City and Gulfport markets have been averaging slightly above the \$2.05 maximum price called for under the International Wheat Agreement, the average varying from 5 to 10 cents above the maximum provided in the International Wheat Agreement. Therefore at the present time little loss would be in exporting wheat. Wheat purchased in some areas actually might bring a profit, because some wheat is selling for as much as 65 cents a bushel below the support level of about \$2.21 per bushel.

Mr. LANGER. That is correct, except that the International Wheat Agreement provides that no country shall sell the wheat at a higher price than it paid in securing it.

Mr. YOUNG. The IWA authorities can purchase wheat through private channels, though.

Mr. LANGER. Oh, yes.

Mr. YOUNG. I am advised that from 25 to 30 percent of the wheat exported originated from Government stocks.

Mr. LANGER. Yes.

Mr. YOUNG. So approximately 70 percent has come from private stocks. While I am on my feet, Mr. President, I wish to commend my distinguished colleague for the fine job he has done in bringing out the agreement. I believe he did the very best he could possibly do under all the circumstances.

Mr. LANGER. I thank my distinguished colleague, but I was very materially assisted by the junior Senator from North Dakota, who is himself a farmer and is thoroughly familiar with the entire problem. A few years ago he went to Geneva, I believe, and sat with the Council which was considering the subject matter. He is perhaps as familiar with the subject as any Member of the Senate.

Mr. YOUNG. I thank the Senator.

Mr. LANGER. In substantial measure this was due to the increase in United States quota from the original 168 million to the final 253 million bushels. The Department of Agriculture assures us that it anticipates a substantial reduction in the amount of subsidy under the new and revised agreement. It expects a drop from an average of 62 cents a bushel to 40 cents a bushel. I submit

that the benefit to be obtained from the International Wheat Agreement far outweighs this relatively modest subsidy.

Mr. President, one subject overshadowed all others, both in the subcommittee and in the full committee. That was Britain's refusal to sign the new agreement. In this connection, permit me to remind you again that two-thirds of the world's international wheat trade is involved in this agreement. The United Kingdom was allotted roughly 30 percent or 177 million bushels of the amount involved in the agreement. I have been informed that the British refusal was due to her unwillingness to pay the 5 cents a bushel over \$2 that the agreement provides. In addition to this, information from the executive branch indicates that Britain is not unfavorable to the purchase of wheat from the U. S. S. R. Let me quote from a statement to the committee by the Assistant Secretary of State for Economic Affairs:

We have been assured by the British Ministry of Food that * * * if they were offered the kinds of wheat they needed at attractive prices and for shipment at the times when wanted, such offers would be given favorable consideration if coming from Russia or anywhere else in the world.

The Ministry of Food has also informed us that the Soviet trade delegation was told that the Ministry hoped it would not be necessary for the Ministry to make further purchases but to leave this operation to private traders. If the private trade should fail to import sufficient supplies, then the Ministry would have to step in and for this reason it would like to keep in touch with the Soviet trade delegation.

One of the witnesses before the committee, Mr. Stevens, vice president of General Mills, a man of great experience in the field of wheat, and closely associated with the negotiations, speaking in behalf of the millers, told the committee that it was his belief that the purpose of the United Kingdom in refusing to sign was its hope of wrecking the International Wheat Agreement and thereby bringing about competition between the United States and Canada as a result of which wheat prices would be depressed and the United Kingdom would succeed in securing wheat at lower prices. That this was not an empty hope is made clear by the fact that Australia signed the Agreement with the reservation that if her customary markets were affected by the failure of any importing country to enter the agreement, that Australia would be free to withdraw from the agreement unless quotas could be adjusted to her satisfaction.

Mr. President, it is the prerogative of any country to sign or to refuse to sign any international agreement which it may have under consideration. But I am gravely concerned about the alleged attitude of the United Kingdom, and I may say that all the members of the subcommittee were likewise very much concerned. A great many questions were asked by the distinguished Senator from Kansas [Mr. CARLSON], the distinguished Senator from Iowa [Mr. HICKENLOOPER], and the distinguished Senator from Montana [Mr. MANSFIELD].

The United Kingdom has received billions of dollars from the United States—

since World War I I believe the amount is \$43 billion—not in the form of loans to be repaid, but as grants and outright gifts. Under the circumstances, it seems to me that the United Kingdom might have signed the International Wheat Agreement. The additional 5 cents a bushel would only cost the United Kingdom \$8,500,000. They refused to sign the agreement.

Senators will find on page 8 of the committee report the kind of readjustment of quotas that may be involved if Britain persists in remaining outside the agreement. The table shows what the guaranteed quantities would be if adjusted according to the past pattern of trade or if adjusted on a pro-rata basis.

Mr. President, I ask unanimous consent that the report may be made a part of my remarks at this point in the RECORD.

There being no objection, the report (Ex. Rept. No. 4) was ordered to be printed in the RECORD, as follows:

The Committee on Foreign Relations, having had under consideration Executive H, 83d Congress, 1st session, the agreement revising and renewing the International Wheat Agreement, signed at Washington between April 13 and 27, 1953, reports the agreement favorably and recommends that the Senate advise and consent to its ratification.

1. MAIN PURPOSE OF THE AGREEMENT

The agreement continues for another 3 years the arrangements for the international sales and purchases of wheat established by the International Wheat Agreement of 1949. By means of a system of reciprocal guarantees the participant governments aim at stabilizing the international wheat market. Supplies of wheat are assured to importing countries and markets for wheat are assured to exporting countries at equitable and stable prices. Under the revised agreement, the United States is guaranteed an annual export market of 270 million bushels for the next 3 years at minimum prices specified in the agreement.

2. SUBCOMMITTEE ACTION AND HEARING

The President transmitted the agreement to the Senate on June 2, 1953, whereupon it was referred to the Committee on Foreign Relations. On June 17 the chairman of the Foreign Relations Committee, Sen. ALEXANDER WILEY of Wisconsin, appointed a subcommittee consisting of Senators LANGER (chairman), HICKENLOOPER, KNOWLAND, SPARKMAN, and MANSFIELD to study and report on the agreement. Public hearings were held, at which the subcommittee received the testimony of True D. Morse, Under Secretary of Agriculture; Senator FRANK CARLSON; Samuel C. Waugh, Assistant Secretary of State; D. A. FitzGerald, Deputy for Operations to the Director for Mutual Security; Gus Geissler of the National Farmers Union; and Glen Talbot, North Dakota Farmers Union. In addition the committee received a number of written statements from agricultural groups in lieu of personal appearances. On July 2 the subcommittee reported the agreement favorably to the full committee which adopted the subcommittee recommendations and its report as those of the full committee and voted 11 to 1 to report the agreement without amendment or reservation to the Senate for favorable action.

3. BACKGROUND

The International Wheat Agreement of 1949 was concluded after 18 years of negotiation, stretching back to a conference in Rome in 1931. Efforts to achieve a wheat agreement were delayed, but not abandoned, during World War II. In 1948 an International

Wheat Agreement was signed, sent to the Senate by the President, and reported by the Foreign Relations Committee to the Senate Calendar. But the crowded calendar prevented Senate action prior to adjournment, and it became necessary to renegotiate the agreement, which in its new form was subsequently submitted to the 81st Congress, which gave its approval to ratification in 1949. The 1949 agreement is due to expire at the end of July 1953. Forty-six countries, by ratification and accession, ultimately adhered to the 1949 agreement; 4 were exporting countries and 42 were importing countries.

At its eighth session in London during April and May of 1952, the International Wheat Council discussed the renewal of the agreement upon its expiration in 1953. The eighth session adjourned and was resumed in Washington on February 2, 1953. By April 13 the Council succeeded in drafting an agreement revising and renewing the International Wheat Agreement of 1949. A period was provided for signature from April 13 to 27, inclusive. During this time 4 exporting countries (the United States, Australia, Canada, and France) and 41 importing countries signed. As indicated above, the President sent the agreement to the Senate for approval on June 2, 1953.

4. SUMMARY OF THE MAIN PROVISIONS

The agreement consists of 23 articles divided into 5 parts. A short preamble is followed in part 1, devoted to definitions used in the agreement. Part 2 defines the rights and obligations and specifies the guaranteed purchases and guaranteed sales and rules regarding the recording of transactions against guaranteed quantities, the enforcement of rights, the basic maximum and minimum prices, the maintenance of stocks, and reporting requirements. In part 3 the procedures for the adjustment of guaranteed quantities are provided to take care of changing needs under varying circumstances. Part 4 sets forth the organization and administration, including the composition and functions of the International Wheat Council, the Executive Committee, the Advisory Committee on Price Equivalents, and the Secretariat, and also provisions relating to the Council's finances and budget, cooperation with other intergovernmental organizations, and procedures for the settlement of disputes arising under the agreement. Part 5 contains the provisions for signature, accession, duration, amendments, withdrawal, and territorial application.

Under the agreement each exporting country guarantees to sell a specific quantity of wheat at a specified maximum price, and each importing country agrees to purchase a specific quantity of wheat annually at a specified minimum price (art. III). The total guaranteed sales equal to total guaranteed purchases (art. III, annexes A and B). Provision is made for the increase of guaranteed quantities and for the transfer to other member countries of parts of guaranteed quantities by mutual consent (art. XI). Provision is also made for the increase in purchases in times of critical need (art. XII). The maximum and minimum prices will remain the same for the 3 years during which the agreement is to be renewed (art. VI), namely \$2.05 a bushel maximum, and \$1.55 a bushel minimum. Prices are fixed in Canadian currency at a fixed parity with the United States dollar, and quality is set in terms of No. 1 Manitoba Northern Canada wheat (art. VI) in bulk in store Fort William/Port Arthur. Exporting countries endeavor to maintain sufficient stocks of wheat in order to assure supplies to importing countries, and importing countries take precautions to prevent disproportionate purchases of wheat at the opening and closing of crop years (art. VII).

Members which have difficulty in securing their guaranteed sales or purchases may seek the assistance of the Council in obtaining the guaranteed quantities under the agreement (art. V). All transactions over and above those contracted for are unaffected by the agreement:

Certain adjustments are provided so that exporting countries with short crops and importing countries, whose balance of payments and monetary reserves are jeopardized, may have their obligations altered to meet emergency situations. In making such adjustments, the Council adheres to the principle that the country concerned will meet its obligations under the agreement to the maximum extent feasible (art. X).

The agreement provides for an International Wheat Council on which all participating countries are to be represented (art. XIII), which is to be responsible for keeping records necessary for the operation of the agreement, and which will serve as the agency to enforce the rights of the participating countries to sell and purchase wheat under the agreement (art. V). Participating countries are allotted votes in proportion to their share of the total quantity of wheat covered by the agreement (art. XIII).

The Council will be aided in its work by an Executive Committee (art. XIV), an Advisory Committee on Price Equivalents (art. XV), and a Secretariat (art. XVI). Detailed provisions cover financing cooperation with other intergovernmental agencies, and the settlement of disputes and complaints (arts. XVII-XIX).

Ratifications must be deposited by July 15, 1953, by governments responsible for not less than 50 percent of the guaranteed purchases listed in annex A and 50 percent of the guaranteed sales listed in annex B (art. III), or the agreement fails to come into operation (art. XX).

5. QUANTITIES

The 1953 agreement accounts for guaranteed sales by exporting countries of 595 million bushels of which 270 million are entered for the United States. The guaranteed purchases of the importing countries also total 595 million bushels, including 177 million bushels entered for the United Kingdom.

Article III of the agreement specifies the quotas of both the importing and the exporting countries as follows:

ANNEX A TO ARTICLE III

Guaranteed purchases

Crop-year Aug. 1 to July 31	1953/54	1954/55	1955/56	Equivalent in bushels for each crop-year
	Thousands of metric tons			
Australia.....	250	250	250	9,185,927
Belgium.....	615	615	615	22,597,382
Bolivia.....	95	95	95	3,490,652
Brazil.....	360	369	360	13,227,736
Ceylon.....	255	255	255	9,369,646
Costa Rica.....	35	35	35	1,286,030
Cuba.....	202	202	202	7,422,229
Denmark.....	50	50	50	1,837,185
Dominican Republic.....	26	26	26	955,336
Ecuador.....	35	35	35	1,286,030
Egypt.....	400	400	400	14,697,484
El Salvador.....	20	20	20	734,874
Federal Republic of Germany.....	1,500	1,500	1,500	55,115,565
Greece.....	350	350	350	12,860,299
Guatemala.....	25	25	25	918,593
Haiti.....	45	45	45	1,653,467
Honduras.....	15	15	15	551,156
Iceland.....	11	11	11	404,181
India.....	1,500	1,500	1,500	55,115,565
Indonesia.....	142	142	142	5,217,607
Ireland.....	275	275	275	10,104,520
Israel.....	215	215	215	7,899,898
Italy.....	850	850	850	31,232,154
Japan.....	1,000	1,000	1,000	36,743,710

ANNEX A TO ARTICLE III—Continued

Crop-year Aug. 1 to July 31	1953/54	1954/55	1955/56	Equivalent in bushels for each crop-year
	Thousands of metric tons			
Lebanon.....	75	75	75	2,755,778
Liberia.....	2	2	2	73,487
Mexico.....	415	415	415	15,248,640
Netherlands.....	675	675	675	24,802,004
New Zealand.....	160	160	160	5,878,994
Nicaragua.....	10	10	10	367,437
Norway.....	230	230	230	8,451,053
Panama.....	20	20	20	734,874
Peru.....	185	185	185	6,797,586
Philippines.....	236	236	236	8,671,515
Portugal.....	175	175	175	6,430,149
Saudi Arabia.....	60	60	60	2,204,623
Spain.....	145	145	145	5,327,838
Sweden.....	25	25	25	918,593
Switzerland.....	215	215	215	7,899,898
Union of South Africa.....	320	320	320	11,757,987
United Kingdom.....	4,819	4,819	4,819	177,067,939
Venezuela.....	170	170	170	6,246,431
Total (42 countries).....	16,208	16,208	16,208	595,542,052

ANNEX B TO ARTICLE III

Guaranteed sales

Crop-year August 1 to July 31	1953/54	1954/55	1955/56	Equivalent in bushels for each crop-year
	Thousands of metric tons			
Australia*.....	2,041	2,041	2,041	75,000,000
Canada.....	6,804	6,804	6,804	250,000,000
France.....	10	10	10	367,437
United States of America.....	7,353	7,353	7,353	270,174,615
Total.....	16,208	16,208	16,208	595,542,052

*In the event of the provisions of Article X being invoked by Australia by reason of a short crop, it will be recognized that certain markets, by virtue of their geographical positions, are traditionally dependent upon Australia for the supply of their requirements of wheat grain and wheat-flour. The necessity of meeting these requirements will be one of the factors to be taken into account by the Council in determining the ability of Australia to deliver its guaranteed sales under this Agreement in any crop-year.

After the agreement comes into force adjustments must be made in the event of nonparticipation or withdrawal of any of the countries included in the agreement in order to bring the total guaranteed sales and guaranteed purchases into balance. On the other hand, increases can take place in the total agreement pool throughout the life of the agreement by increases in the quantities of member countries or accession of additional countries as long as quantities sought by importing countries are covered by increase in the quotas of exporting countries.

The quantity of 595 million included in the new agreement compares with 456 million negotiated in the 1949 agreement, which grew to 581 million in the latter part of the agreement period. The quantity of 270 million included for the United States in the new agreement compares with 168 million bushels originally included for the United States in the 1949 agreement which grew to 253 million in the last years of the agreement.

The quantity of 595 million bushels covered by the new agreement represents about two-thirds of average world exports in the postwar period (1945-46 to 1952-53) of 900 million.

Quantities guaranteed in the agreement include flour which is counted in terms of its wheat equivalent. The part to be supplied in the form of flour is to be determined be-

tween the buyer and the seller, subject to decision by the Council in case of disagreement when the matter is considered by the Council under article V on enforcement of rights.

6. PRICES

The prices negotiated in the new agreement represent a considerable change from those included in the 1949 agreement. The maximum in the old agreement of \$1.80 for Manitoba No. 1 in store at Fort William/Port Arthur, Canada, has become \$2.05 in the new agreement and the minimum in the old agreement ranging from \$1.50 in the first year to \$1.20 in the fourth has become a uniform \$1.55 for the 3 years of the new agreement.

Price equivalents are calculated with relation to the basic prices for the United States coast ranges. Thus the equivalent of the basic grade at the basing point mentioned above would with present transportation rates be \$2.28 for U. S. No. 1 Hard Winter wheat at gulf ports.

7. COST OF THE AGREEMENT TO THE UNITED STATES

In 1949, the Departments of State and Agriculture were asked to estimate the costs in subsidies that were involved in the agreement. At that time the committee was informed that the Department of Agriculture "anticipated that a maximum subsidy of \$84 million would be required in the first year of the agreement but that the need for a subsidy will decline or disappear in the latter years."

This figure was reached by applying a 50-cent differential per bushel for the total United States quota of 168 million bushels. In the hearings on the present agreement, the United States Secretary of Agriculture testified that the total cost for the 4 years of bridging the gap between the domestic price level and the maximum price of wheat of the 4 years of the agreement will total approximately \$570 million for an average export subsidy rate of about 62 cents per bushel. It should be remembered that this substantially larger figure than was anticipated is due in part to an increase in the United States quota from 168 to 253 million bushels.

The increased minimum and maximum prices in the revised agreement promise to make substantial reductions in the amount of subsidy. Secretary Morse testified that—

"With this increase it is estimated that the per bushel cost of the renewed agreement will be reduced from 62 cents per bushel * * *. We estimate that for the first year the export subsidy will be about 40 cents per bushel, or a total cost of about \$108 million based on the United States tentative quota of 270 million bushels."

In information supplied preliminary to the hearings, the Department of Agriculture explained the matter as follows:

"The maximum IWA price is \$2.05 per bushel for Manitoba Northern wheat in store Fort William/Port Arthur. The equivalents for United States wheat are about \$2.25 Atlantic, \$2.23 gulf, and \$2.08 west coast ports, all f. o. b. vessel. To the extent that United States prices at these points exceed the equivalents a subsidy will need to be paid. Also a considerable amount of the export-

able surplus of United States wheat does not always obtain the same price in all export markets as does Manitoba Northern because of differences in quality. Taking these points into account and assuming that United States wheat prices will be at about this year's level and that IWA prices for the top classes of wheat will be at the maximum, the estimated subsidy cost is 40 cents per bushel for the first year or about \$108 million on a quota of 270 million bushels."

8. HOW THE AGREEMENT WILL BE ADMINISTERED

The central organization for carrying out the agreement and serving as a tribunal of last resort is the International Wheat Council, composed of representatives of all the exporting and importing countries. Votes are to be allocated to each country in accordance with the amount of its guaranteed purchases or sales. Importing countries will have a total of 1,000 votes and exporting countries will have a total of 1,000 votes. The United States share, based on guaranteed sales entered in the agreement, will be 453 of the exporting votes.

Routine administrative decisions will be made by a simple majority vote. More important decisions on matters specifically provided for in the agreement are to be taken by a majority of the votes of importing countries and exporting countries voting separately. Vital decisions can only be taken by a two-thirds vote of the exporting countries and a two-thirds vote of the importing countries. Thus the United States 453 votes will be decisive in the protection of United States interests.

For example, a two-thirds vote is required for amendments, adjustments of quantities to be bought or sold by various countries, reduction of guaranteed purchases to meet critical needs, the delegation of powers or functions of the Council, and the accession of new members.

Sessions of the Council will be held at least once during each half of the crop year. A quorum will consist of a majority of the votes held by both importing and exporting countries taken separately. The permanent seat of the Council will be London unless the Council decides otherwise by a majority of votes of the importing and exporting countries, voting separately.

In order to assist the Council in carrying out its functions the agreement provides for the following: an Executive Committee, an Advisory Committee on Price Equivalents, and a Secretariat. Provision is also made in cases of dispute to seek the advice of an ad hoc advisory panel (art. XIX). The Executive Committee, consisting of representatives of 3 exporting countries and of not more than 8 importing countries, will work under the direction of the Council. The Advisory Committee on Price Equivalents, composed of representatives of 3 exporting countries and of 3 importing countries, will advise the Council and the Executive Committee on technical matters pertaining to prices and price equivalents. The Secretariat, appointed by and responsible to the Council, will perform the necessary staff work.

9. PRINCIPAL CHANGES FROM THE 1949 AGREEMENT

The revised and renewed International Wheat Agreement differs from the 1949 agreement in 10 main particulars as follows:

1. The loading period may be extended 1 month before and 1 month after the beginning and the end of the crop year if agreed to by both the importing and the exporting countries concerned and if authorized by the Council.

2. Countries may transfer part of their quota for one or more crop years to another country, subject to Council approval by a majority of the votes cast by the importing countries and a majority of the votes cast by the exporting countries.

3. Accession of new members may be facilitated by reductions of the quantities of the importing countries or by increases in the quantities of exporting countries.

4. Provisions are added to limit the purchases by importing countries to 90 percent of the agreed upon quotas until February 28 of any crop year except by permission of the Council in order to make possible adjustments due to short crops in one of the exporting countries.

5. Sales may be recorded upon the ratification of the agreement by a country if the sales are made prior to the time either the exporting or the importing country ratifies.

6. The escape clauses, by which states may escape from the obligations imposed by the agreement, are tightened by the rewording of article X (Short Crop Imbalances and Payment Safeguard). The Council is instructed in dealing with requests for relief to adhere to the principle that member countries to the maximum extent feasible meet their obligations to buy or sell under the agreement.

7. Importing countries may decrease their quotas to make room for new countries to come in.

8. Before each session of the Council the votes are to be distributed in such a way that exporting and importing countries have equal votes.

9. The Council may call upon an advisory panel, of its own selection, for advice in settling items in dispute in the Council.

10. Numerous adjustments are made in the exporting and importing country quotas.

10. THE FAILURE OF THE UNITED KINGDOM TO SIGN

The committee notes that nonparticipation of the United Kingdom in the agreement will result in a considerable reduction in the total quantity of wheat covered by the agreement; likewise resultant adjustments by reduction of the quantities of the exporting countries, if made on a pro rata basis, will considerably reduce the quota of the United States. The agreement does, however, provide that division of the reduction among the exporters can be on other than a pro rata basis, if supported by two-thirds of the votes cast by the exporting countries and the importing countries counted separately.

The following table shows what would be the result if adjustment were pro rata and alternatively if reductions were made proportionate to the quantities which the exporting countries sold to the United Kingdom under the 1949 agreement. The table is also illustrative in general of possible alternative methods of quota adjustment.

Illustrative quota adjustments to meet United Kingdom nonparticipation in International Wheat Agreement¹

[In millions of bushels]

Exporting country ²	Quotas		Reduction in quotas resulting from United Kingdom nonparticipation		Adjusted quotas ³	
	1949 agreement	Revised agreement	Pro rata basis	4-year average sales to United Kingdom	Pro rata basis (column 2 less column 3)	4-year average sales basis (column 2 less column 4)
	(1)	(2)	(3)	(4)	(5)	(6)
Australia.....	89	75	22	34	54	41
Canada.....	235	250	75	122	175	128
United States.....	253	270	80	21	190	249
Total.....	577	595	177	177	418	418

¹ British quota 177 million bushels.

² Quantities negligible for France.

³ Subject to negotiation within the ranges indicated in (5) and (6).

The committee notes the following statement in the letter of transmittal sent by Acting Secretary of State Walter B. Smith to President Eisenhower on May 29, 1953:

"While the agreement was not signed on behalf of the United Kingdom within the period provided by its terms, that country can nevertheless accede to the agreement subsequent to its entry into force on July 15 by a two-thirds vote of exporting countries and a two-thirds vote of importing countries. The agreement also provides in article XXII that if any exporting country considers its interests to be seriously prejudiced by nonparticipation or withdrawal of an importing country responsible for a quota of more than 5 percent of the total in the agreement, such country may withdraw before August 1 by notification to the United States Government. An importing country is accorded this same privilege upon nonparticipation or withdrawal of an exporting country. The quota established for the United Kingdom represented about 30 percent of the aggregate quantity of the importers.

"If the United Kingdom fails to take advantage of the privilege of acceding to the agreement or if any of the signatories fails to ratify, article IX provides a mechanism for the redistribution by the Council of guaranteed quantities to balance the total of the guaranteed quantities of exporters with those of importers. This redistribution would be made by a pro rata reduction of the guaranteed quantities of exporters or importers unless the Council should decide otherwise by a vote of two-thirds of the exporters and two-thirds of the importers."

In this connection the committee wishes to call the attention of the Senate to the reservation with which Australia signed the agreement:

"PERCY C SPENDER April 20th, 1953

"Subject to the acceptance however of the reservation that in the event of the nonparticipation in or withdrawal from the Agreement by any one of more of such of the Governments of such importing countries listed in Annex "A" to Article III thereof as in the opinion of the Government of the Commonwealth of Australia are traditional markets for Australian wheat or in the event of any one or more of such countries reducing its or their respective guaranteed quantities below the quantities shown for them respectively in the said Annex A the Government of the Commonwealth of Australia if it shall have accepted the Agreement may request such reduction to the guaranteed quantity shown in respect of Australia in Annex B to Article III of the said Agreement as may in its opinion be necessary to enable Australia to supply to such importing country or countries the quantities of wheat

which Australia would normally expect to supply to it or them as the case may be and may withdraw from the said Agreement if any such request for reduction be not met.

"PCS."

During the hearings, members of the subcommittee sought to learn the reason for Britain's refusal to sign. At that time the question arose as to whether or not the United Kingdom has an agreement or is negotiating an agreement with the U. S. S. R. by virtue of which the latter agrees or will agree to supply Britain with wheat. The committee requested specific information on this point. Following the hearings, the committee was informed by the Mutual Security Agency as follows:

"1. The latest contract involving wheat shipments from U. S. S. R. to the U. K. was signed in September 1951. It provided for 800,000 tons of coarse grains and 200,000 tons of wheat. It became effective immediately and shipments were completed in the ensuing year.

"2. Another U. S. S. R.-U. K. contract involving shipment of coarse grains only (150,000 tons of barley, 30,000 tons of oats, and 20,000 tons of corn) was signed early in October 1952. Delivery of the grain against this contract has been completed.

"3. We understand that the Department of State has advised the committee that approaches have been made by the Soviet trade delegation in London to the British Ministry of Food to determine the United Kingdom's interest in buying Soviet grain, including wheat. However, no agreement has yet been concluded and the British Ministry of Food is uncertain concerning the likelihood of the conclusion of such an agreement or its possible terms. The grain trade in the United Kingdom has been returned to private operation but this does not exclude the possibility of a direct contract between the British Ministry of Food and the U. S. S. R. Being free to buy on its own account, the United Kingdom private trade has approached the Russians for offers but as yet has made no purchases."

The following statement was submitted by Assistant Secretary of State Waugh in reply to the subcommittee question:

"We are informed that approaches have been made by the Soviet trade delegation in London to the British Ministry of Food to determine the United Kingdom's interest in buying Soviet grain, including wheat. However, no agreement has yet been concluded and the Ministry is uncertain concerning the likelihood of the conclusion of such an agreement or its possible terms. As previously stated, the British grain trade was recently returned to private operation. However, this apparently does not exclude the possibility

of a direct contract between the Ministry of Food and the Soviets. The United Kingdom private trade is now free to buy Soviet grain on its own account, and has approached the Russians for offers, but no private purchases have apparently yet been made.

"We have been assured by the British Ministry of Food that their reasons for not signing wheat agreement are not in any way connected with negotiations for further purchases of Russian wheat. If they were offered the kinds of wheat they needed at attractive prices and for shipment at the times when wanted, such offers would be given favorable consideration if coming from Russia or anywhere else in the world.

"The Ministry of Food has also informed us that the Soviet trade delegation was told that the Ministry hoped it would not be necessary for the Ministry to make further purchases but to leave this operation to private traders. If the private trade should fail to import sufficient supplies, then the Ministry would have to step in and for this reason it would like to keep in touch with the Soviet trade delegation."

In spite of the difficulties raised by the failure of the United Kingdom to participate, both the Government and private witnesses appearing before the committee urged the Senate to give its advice and consent to the agreement. That is the view of the committee, and its recommendations are made accordingly.

11. IMPLEMENTING LEGISLATION

The International Wheat Agreement required the International Wheat Agreement Act of 1949 (63 Stat. 945) in order to give its terms full application in the United States. The statute authorized the President, acting through the Commodity Credit Corporation, to make available such quantities of wheat and wheat flour as may be necessary to meet the obligations of the United States under the International Wheat Agreement of 1949, and to take certain other action necessary for the implementation of the agreement. The Commodity Credit Corporation under this authority has made available under the agreement wheat acquired under its price-support program. The Commodity Credit Corporation has made export payments to commercial exporters for wheat and wheat flour exported to importing countries under the agreement in accordance with the terms and conditions of the export payment program. The rate of payment on such exports reflects the difference between the price of wheat on the domestic market and the price of wheat under the agreement. Those transactions are reported to the International Wheat Council for credit against the quantity of wheat guaranteed by the United States.

Since the agreement here under consideration renews and revises the agreement of 1949 the original implementing legislation will suffice with little modification. The necessary changes may be accomplished by the following resolution, which the committee hereby reports to the Senate for favorable action:

"Senate Joint Resolution —

"Joint resolution to amend the International Wheat Agreement Act of 1949

"Resolved, etc., That section 2 of the International Wheat Agreement Act of 1949 (63 Stat. 945) is amended by inserting before the parenthesis at the end of the first sentence thereof the following: 'and the agreement revising and renewing the International Wheat Agreement for a period ending July 31, 1956, signed by Australia, Canada, France, the United States, and certain wheat-importing countries.'

"SEC. 2. Reference in any law to the International Wheat Agreement of 1949 shall be deemed to include the agreement revising and renewing the International Wheat Agreement."

In his comment on this resolution, dated June 24, 1953, the Secretary of Agriculture, Ezra Benson, stated the following:

"Section 2 of the proposed bill would make the provisions of section 112 (m) of the Economic Cooperation Act of 1948, as amended, applicable to the new agreement. Section 112 of the Economic Cooperation Act of 1948 was continued by section 502 of the Mutual Security Act of 1951 (22 U. S. C. 1653). Section 112 (m) exempts from the pricing provisions of section 112 (e) of that act (which requires Commodity Credit Corporation to charge cost or domestic market price, whichever is lower, on all surplus commodities held by the Corporation in its price-support stocks which are procured from the Corporation with foreign assistance funds and where the transfer to the recipient country is by grant) and section 4 of the act of July 16, 1943 (57 Stat. 566) (which requires Commodity Credit Corporation to be fully reimbursed for all commodities procured to supply the needs of other Government agencies) wheat and wheat flour supplied to countries which are parties to the International Wheat Agreement of 1949 and credited to their guaranteed purchases thereunder. Under this exemption Commodity Credit Corporation is authorized to assume the difference between the agreement prices at which the wheat would move, and market prices or Commodity Credit Corporation costs at which it was procured. It should be noted, however, that the exemption granted by section 112 (m) has not been available during the fiscal year 1953 by reason of the so-called Whitten amendment contained in the Mutual Security Appropriation Act, 1953 (66 Stat. 655), which requires the payment to Commodity Credit Corporation of support price, including handling and storage charges where commodities are purchased from Commodity Credit Corporation with funds appropriated for economic assistance by that act."

It is the understanding of the committee that the full current domestic price is to be paid in procurement from Commodity Credit Corporation, when it is higher than the support price plus costs. Likewise, commodities included in aid programs which are procured from the private trade, must, under the Whitten amendment, be procured at the full domestic price.

12. THE UNDERLYING JUSTIFICATION

The International Wheat Agreement is not designed to benefit one country or a group of countries alone but exists because it provides a more stable and orderly world market condition than would be the case without the contract. The obligations and rights of the importing countries are balanced by the obligations and rights of the exporting countries. It is significant that every delegation with one exception that participated in the negotiations signed the agreement, and there is some expectation that the one exception, Great Britain, may accede in the near future.

There was a general agreement among United States representatives and private interests concerned with the renewal of the agreement on five basic points:

1. The fundamental principles on which the International Wheat Agreement is built are sound, and the experience of the past four years fully justifies the renewing and revising of the agreement of 1949.

2. The International Wheat Agreement effectively implements both the domestic and foreign policies of the United States.

3. The operations of the International Wheat Agreement of 1949 demonstrate that the agreement is workable and desirable, from a practical point of view.

4. There should be a substantial increase in the basic maximum and minimum prices of the 1949 agreement.

5. The quotas of individual countries should be readjusted so as to eliminate cer-

tain competitive disadvantages to flour exporters which were revealed under the administration of the agreement of 1949.

The committee is convinced that these objectives have been embodied in the new agreement and that they are consistent with United States interests. The committee further notes that although Britain may persist in staying outside the agreement, nevertheless, it is in the interest of the United States to ratify. Accordingly, the committee recommends that the Senate give its advice and consent to ratification so that the President may ratify by July 15. The committee further recommends that the Senate promptly pass the implementing legislation, namely, the committee's joint resolution amending the International Wheat Agreement Act of 1949.

Mr. LANGER. Mr. President, it is the view of the committee that the most logical and fair basis would be the pattern of trade. A decision on this question will have to be made by the International Wheat Council later this month, and I believe it would be well that the Senate affirm the view that the pattern of wheat trade with the United Kingdom be taken into account when the decision is made. It would be unfair to the United States to make the adjustment on a pro rata basis.

If it develops that the decision reached by the Wheat Council in this matter is unfavorable to the United States, there is provision in the agreement which would permit the United States to withdraw from further participation. I refer here to article XXII, which provides that an exporting country may withdraw if it considers its interests to be seriously prejudiced by the nonparticipation of an importing country responsible for more than 5 percent of the guaranteed quantities.

However, at this time, it is the unanimous opinion of the Committee on Foreign Relations, of the executive agencies concerned with the agreement, of the farm groups in the United States, of the grain trade, and of others who testified before the subcommittee that the United States should ratify the agreement even though the United Kingdom is not a party.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a statement made by Mr. Gus F. Geissler, assistant to the president, National Farmers Union, in support of ratification of the renewed International Wheat Agreement, before the subcommittee of the Senate Committee on Foreign Relations on June 26, 1953.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INTERNATIONAL WHEAT AGREEMENT SHOULD BE RENEWED

Mr. Chairman and gentlemen, I appear today in support of Senate ratification of extension of the International Wheat Agreement. National Farmers Union supported ratification of the tentative agreement that was worked out in 1948. We again supported the agreement that was worked out and ratified in 1949 and is now expiring.

The proposed extension of the International Wheat Agreement has been negotiated with the tentative approval of all signatories to the existing agreement except the United Kingdom. The International Wheat

Agreement, which expires on June 30 of this year, is an outstanding example of international cooperation among nations by conscious application of intelligence in building international institutions to introduce an element of stability into world trades, in this case wheat. This agreement served to overcome many of the hardships to producers and consumers of the different nations that would otherwise have been caused by critical shortages of wheat. If circumstances had been different, the agreement would have provided similar protection against hardships caused by so-called surpluses. The existing agreement has served its purposes well. An extension on the basis negotiated after months of patient international deliberation will provide a similar measure of stability in the uncertain years ahead.

The International Wheat Agreement is essentially quite simple, it assures exporting nations of a market for wheat at equitable and stable prices and assures access to a supply of wheat to importing nations at stable prices.

The IWA extension that has been negotiated provides for a 3-year extension of the present agreement that was entered into in 1949. Under the negotiated extension, which is now before the Senate for ratification, the 4 signatory countries that produce wheat for export, including the United States, undertake to deliver an agreed-upon quantity of wheat to the importing countries at a price of not more than \$2.05 per bushel. This maximum price is 25 cents per bushel higher than the maximum price under the present agreement. The importing countries in turn are required to buy all agreed-upon amounts at a price not less than \$1.55, this is 35 cents per bushel higher than the minimum price under the present International Wheat Agreement this year. There is no fluctuating minimum price as was included in the previous agreement.

The United Kingdom declined to sign the agreement. This does not constitute a justifiable reason for not ratifying the renewed agreement. The British refusal to sign means of course, a readjustment of the quotas of exporting members. However, it is not to be expected that this readjustment will have as serious an effect upon United States exports under the agreement as might be thought from simple application of arithmetic formulas. This is because Canada and Australia obviously will continue to supply wheat to their historic customers in the United Kingdom. Therefore, they will not, probably, have available sufficient wheat above their exports to United Kingdom to desire additional quotas under the revised agreement.

While this absence of United Kingdom from the agreement, and the possibility of its later accession, introduces an element of uncertainty, we should not in our judgment allow this factor to jeopardize the early ratification of the renewed agreement. The cost to the United States of operations under the agreement will be determined more importantly in the years just ahead by other factors than the presence or absence of United Kingdom, in the Wheat Agreement. Even without the participation of the United Kingdom, however, the renewed International Wheat Agreement will cover 420 million bushels or more than 40 percent of world trade in wheat.

Provision has been made whereby other countries can come into the agreement. It is to be hoped that the United Kingdom will join the agreement at some later date. Neither U. S. S. R. nor Argentina participated in the present agreement. Nor have they indicated a desire to participate in the renewed agreement.

The International Wheat Agreement is a treaty requiring a two-thirds vote in the Senate for ratification. It is in the nature of a contractual arrangement between the gov-

ernments of certain importing and exporting countries involving the annual trade of wheat over a period of 3 years, within the fixed range of a maximum price of \$2.05 a bushel and the minimum price of \$1.55 per bushel.

The agreement provides that an exporting country may be relieved of part of its obligation in a particular crop year by reason of a short crop. An importing country may be relieved of its commitment for a particular crop year by reason of the necessity to safeguard its balance of payments on its monetary reserve. The release of any country from its commitments must be approved by a majority vote in the IWA council. Any country which considers its national security to be endangered by the outbreak of hostilities may withdraw from the agreement.

Each nation in the agreement has a specific guaranteed quantity for purchases or sale. These quantities are the same for each year of the agreement. Final allotment of national quotas will be dependent upon how many nations finally give formal approval to the agreement.

If the world trade price of United States wheat is at any point between the agreed upon minimum and maximum of \$1.55 and \$2.05 per bushel there is no obligation of any country in the agreement. The IWA in standby arrangements whose contractual commitments come into play only when the world price drops below the specified minimum price or rises above the specified maximum price in the Agreement.

The International Wheat Agreement does not set either maximum or minimum prices for the United States farmer. That is not its purpose or effect. The price received by the United States farmer is determined by world demand conditions, the supply of wheat, and the nature of domestic United States farm-price support program for wheat. The International Wheat Agreement contributes to the United States wheat-price support programs by providing an assured market for the agreed-upon quantity of exports under the agreement.

If the United States market price is above the maximum price in the agreement, or if the world price of United States wheat, is lower, the specified quantity of exports will be subsidized by the Federal Government to the extent of the difference.

During the 4 years of the present agreement this subsidy has averaged about 62 cents per bushel or a total of about \$565, million.

Every country taking part in the agreement belongs to the International Wheat Agreement Council. Every country has a vote in proportion to its quota. This puts the United States at the top position among exporters. Since important decisions can be made only by two-thirds majority of exporters and of importers, voting separately, this gives the United States a large measure of assurance.

One of the most important and significant results of the International Wheat Agreement has been that it has kept Western European nations relatively independent of wheat exports from Iron Curtain countries by reason of the assured IWA supplies available to them.

The following table indicates planted acreage for selected years since 1927-28 and United States production and exports for the same years.

Wheat facts—What this means

Crop year	United States planted average	United States production	United States exports (net)
	Million acres	Million bushels	Million bushels
1927-28.....	66	875	191
1928-29.....	75	914	142

Wheat facts—What this means—Continued

Crop year	United States planted average	United States production	United States exports (net)
	Million acres	Million bushels	Million bushels
1929-30.....	67	824	135
1930-31.....	68	887	103
1932-33.....	66	756	28
1933-34.....	69	552	21
1937-38.....	81	824	100
1945-46.....	69	1,108	389
1946-47.....	72	1,152	397
1947-48.....	78	1,359	486
1948-49.....	78	1,295	502
1949-50.....	84	1,098	297
1950-51.....	71	1,019	354
1951-52.....	78	981	443
1952-53.....	77	1,291	295
Average, 1945-53..	76	1,163	395

Wheat exports from United States under International Wheat Agreement extension if United Kingdom enters agreement, 270 million bushels.

As indicated by the above table, the average planted acres for the United States during the last 8 years has been 76 million acres, a total production of 1,163,000,000 bushels and exports of 395 million bushels. If we lose the export market for wheat, our acreage would have to be reduced approximately 26 million acres.

At \$2.06 per bushel, the average price farmers received for wheat in May 1953, the average export sales of wheat represent a return to farmers of approximately \$814 million.

This would be money farmers would not have to spend for the products of our mines and industries—the equivalent of at least 250,000 jobs. At least another 200,000 men now employed in handling and marketing wheat in export trade would be out of jobs.

North Dakota farmers, for example, planted almost 9.5 million acres of wheat on the average of the last 12 years loss of exports of wheat would require an acreage reduction (using 1945-52 average ratios) of approximately 3.2 million acres in the North Dakota wheat acreage.

The International Wheat Agreement is a man-made international institution that would put a little certainty into an otherwise highly uncertain situation. World wheat supply has been increasing rapidly, 25 percent in the past year. United States exports this year are down. We shall be lucky to export as much as 300 million bushels of wheat during the year ending June 30, 1953. The International Wheat Agreement United States quota of 253 million bushels was a big factor in preventing exports from falling even further. The absence of a new agreement would mean trouble—bad trouble.

Failure to ratify the proposed agreement may result in the later renegotiation of a less favorable agreement as was experienced in 1949 compared to the agreement not ratified in 1948. We respectfully urge the ratification of the proposed agreement.

Mr. LANGER. During the life of the agreement of 1949 there was not a single occasion where penalties had to be applied by the council. I think that is a tribute to the good faith of all the parties.

The subsidy is not excessive in terms of the good that will result, and private trade should flourish under the agreement. There has been no opposition to the agreement. Indeed, the flour interests and grain trade have now changed their original opposition to support. Adequate provisions are made for escape from embarrassing situations, and testimony before the committee makes clear that agricultural groups believe that prices set up under the agreement are fair and equitable.

Finally, Mr. President, the Committee on Foreign Relations voted out its own resolution. Senate Joint Resolution 97 is designed to implement the new agreement by extending the implementing legislation covering the 1949 agreement so that it will cover the new agreement. The committee recommends that the Senate approve the International Wheat Agreement and pass Senate Joint Resolution 97.

Before closing my statement, Mr. President, I wish to pay tribute to the distinguished Senator from Kansas [Mr. CARLSON], who testified before the committee. He was perhaps as well informed regarding the contents of the International Wheat Agreement as was any member of the subcommittee. He testified in favor of the adoption of the agreement. He made it clear that he knew from the experience he had had with the farmers of Kansas who raise wheat that they were overwhelmingly in support of the proposal.

I wish to thank him, as I thank the members of the subcommittee. When the meeting was called every one of them was in attendance and listened to all the testimony; and every one of them, so far as I can remember now, asked questions. When this agreement came to the attention of the full committee, the distinguished Senator from Georgia [Mr. GEORGE], although his State is not concerned with wheat-raising problems, nevertheless spoke in behalf of the joint resolution, and voted for it. As one who comes from a State in which wheat is raised, I desire to pay tribute to the distinguished Senator from Georgia, who, although as I have said, represents a State in which wheat is not raised, nevertheless felt that agriculture as a whole will be benefited by the passage of the joint resolution.

Mr. CARLSON. Mr. President, will the Senator from North Dakota yield to me?

The PRESIDING OFFICER (Mr. FLANDERS in the chair). Does the Senator from North Dakota yield to the Senator from Kansas?

Mr. LANGER. I yield.

Mr. CARLSON. I wish to commend the distinguished Senator from North Dakota, the chairman of the subcommittee that conducted the hearings on this important measure. I think the Senate and the country are indebted to the members of the full Committee on Foreign Relations which reported this agreement, and are indebted to the Members of Congress and the representatives of various farm groups and the representatives of the State Department who served in working out the agreement, which I believe to be a very fair and very good one.

If I correctly understood the distinguished Senator from North Dakota, the result will be not only to increase the bushel allotment for the United States, but also to increase the price which will be paid.

Mr. LANGER. Yes; it is estimated by price will be increased from \$1.80 to \$2.05.

Mr. CARLSON. Do I correctly understand that the subsidies under the new International Wheat Agreement should be considerably less than the ones we

have been paying during the past 4 years?

Mr. LANGER. Yes; it is estimated by the Department of Agriculture that the subsidy will be approximately 40 cents a bushel, in contrast to the average of 62 cents a bushel under the old agreement.

Mr. CARLSON. I think that is very important, because we have been spending considerable sums of money for subsidies in connection with the shipment of wheat in international trade. The reduction of the subsidy from 62 cents a bushel to 40 cents a bushel not only will be welcomed by the taxpayers of the United States, but I am sure also will be very much welcomed by the wheat growers of the Nation, who will be most happy to learn that they can enter the export market at a lower subsidy.

I should like to ask whether there was any discussion or consideration of Russia or Argentina as signatories to the agreement.

Mr. LANGER. Of course, they did not sign the agreement.

Mr. CARLSON. Do I correctly understand that the United States, Canada, Australia, and France are the four countries that are engaged in exporting wheat?

Mr. LANGER. That is correct.

Mr. CARLSON. Do I also correctly understand that, aside from Great Britain, the countries which were signatory to the last treaty or agreement are signatory to the new one?

Mr. LANGER. Yes. In fact, more countries have signed the new one.

Mr. CARLSON. I am very happy to learn that. I regret sincerely that Great Britain has refused to sign the new agreement. I hope that as time passes she will have a change of heart and will sign the agreement.

I understand that the reason why Great Britain refused to sign the agreement was because of the difference between \$2 a bushel and \$2.05 a bushel.

Mr. LANGER. That is correct, and that difference would have cost Great Britain \$8,500,000.

Mr. CARLSON. It seems to me that is a very small amount to constitute a basis for Great Britain's refusal to enter into the agreement, which will not only be of assistance to the international trade in wheat, but also will be in furtherance of international good will.

Mr. CASE. Mr. President, will the Senator from North Dakota yield to me?

Mr. LANGER. I yield.

Mr. CASE. In the opinion of the distinguished Senator from North Dakota, what will be the effect of Great Britain's failure to sign the agreement?

Mr. LANGER. It will mean that our quota will be reduced. The report contains a table showing how much the quota of each one of the exporting countries will be reduced.

Mr. CASE. Is there a possibility that Great Britain will reconsider; and does the agreement make provision for future participation by other countries, in case Great Britain does have a change of mind?

Mr. LANGER. I understand the negotiations still continue, and we have hope that Great Britain will sign the

agreement. So a way has been left open for Great Britain to sign the agreement, and we hope she will do so.

Mr. CASE. Do I correctly understand that ratification of the agreement at this time will not make it impossible for Great Britain to join in the agreement if, upon reconsideration, she should decide to do so?

Mr. LANGER. That is correct.

Mr. CASE. I thank the Senator from North Dakota.

Mr. MURRAY. Mr. President, in view of the fact that I come from the great wheat-producing State of Montana, I am very anxious to have the agreement approved by the Senate.

The decline of farm income, which is still unchecked, is one of the most serious threats in our economy today.

Farm prices have dropped further and faster than the prices of other commodities. Farmers are in a pinch between low prices for what they sell and relatively higher prices for what they must buy. The parity ratio, reflecting the relationship between prices received and prices paid by farmers, stands at 94.

Last week, Mr. President, we passed a wheat-allotment bill, now in conference. That bill proposes a minimum acreage allotment next year approximately 10 percent under the 67 million acres of wheat being harvested this year. While I hope that allotment figure may be raised somewhat as a result of the conference with the House, there undoubtedly will be a reduction from this year's acreage. In my opinion, allotments will be accepted by the farmers in referendum, although it will mean further reduction in total agricultural income, not reflected in the parity ratio, for it involves amount of production, rather than price.

The present extremely serious situation would be greatly worsened if the Senate were to fail to give consent to the International Wheat Agreement. Our export markets for agricultural products has been declining. The agreement gives the United States a tentative export quota of 270 million bushels of wheat—a floor under wheat exports for the next 3 years, which will help to stabilize prices in the markets. Inasmuch as it assures such exports, and stabilizes the markets for wheat, it slows the increasingly serious recession in agricultural prices and income, and is of benefit to the economy of the whole Nation.

I hesitate to think, Mr. President, what may happen in the markets tomorrow if the Senate withholds its assent from this agreement, which is considerably more favorable than the 1949 agreement in terms of price. The maximum is \$2.05 per bushel—up 25 cents from the expiring agreement. The minimum \$1.55 is 35 cents per bushel higher than the effective minimum of the expiring agreement.

Much of our favorable export position in recent years has been accounted for by our foreign-aid programs. In the fiscal year 1948-49 about two-thirds of our agricultural exports were financed by various economic funds. By fiscal year 1951-52, only about one-fifth was so financed. This stimulus to export is still shrinking. Wheat exports declined

one-third last year, helping to bring on the necessity for the allotments which we voted last week. We are approaching the time, obviously, when there will be little or no stimulus to exports through our aid appropriations.

The fluctuations, the lack of stability, in the United States export market has historically plagued farmers with alternate shortages and surpluses of some agricultural commodities, and with alternate ups and down in prices.

Wheat has particularly suffered from these ups and downs.

The following table indicates the wide variations in export sales:

Marketing year	Net exports	Domestic consumption
	Million bushels	Million bushels
1927-28.....	191	680
1932-33.....	28	725
1938-39.....	107	717
1946-47.....	397	771
1947-48.....	486	761
1948-49.....	502	682
1949-50.....	297	683
1950-51.....	354	694
1951-52.....	443	678
1952-53.....	295	692

The International Wheat Agreement, Mr. President, represents an effort to bring some stability to our export market and at the same time assure importing nations a stable supply of this food-stuff at relatively stable prices.

If the wheat agreement is not ratified, and if this minimum export market is not assured, I see no alternative in the years ahead but for American agriculture to adjust to considerably smaller wheat-acreages—to a "safe" production based on minimum exports which, in my opinion, would be deplorable for both practical and policy reasons.

The reduction of agricultural income would have serious economic consequences within agriculture and for the whole country. It would be a depressing factor.

It would restrict and draw back our production of a vital defense material in a critical preparedness period. Unfortunately we still have no assurance that, at almost any time, we may need expanded wheat production instead of reduction to meet the requirements of a shooting war.

Third, it would reduce our production of one of our best weapons for peace—foodstuffs that are desperately needed by two-thirds of the peoples of the world.

On March 11, Mr. President, I introduced on behalf of a bipartisan group of Senators a joint resolution aimed at the creation of an international food reserve, a permanent agency to take surplus food production wherever it exists and make it available to peoples who are ill-clothed and ill-fed.

I believe very strongly that we should create such an agency to wage an offensive with food and fiber for peace in the world.

At that time I quoted Norris E. Dodd, Director General of the World Food and Agriculture Organization, as follows:

Believe me, it's a dangerous business. Hungry people are likely to follow any leader who comes along and promises more to eat and a little better conditions of living. It

used to be that people just lay down and starved to death dumbly, as I have seen cattle freeze to death huddled together against a drift fence when one cow could have led them through. People don't do that any more. They figure they might better be slaves to a dictator than die of starvation.

It will be an extremely serious day when news goes abroad to the hungry people of the world that the United States has idled millions of acres or has refused to cooperate in international arrangements to make excess food-producing capacity useful in a war on want.

I should like to see this Nation a partner to permanent arrangements, covering all food and fiber, to carry on the crusade for freedom from want, one of the freedoms which Franklin D. Roosevelt set as a postwar goal for the victorious democratic nations of the world.

The International Wheat Agreement is a step in that direction, a short step, but a worthwhile step. It signifies America's willingness to cooperate with other nations in this field. I sincerely hope that in consideration of our own well being and our international goals the Senate will consent to the agreement by a very large majority.

Mr. LANGER. Mr. President, I thank the Senator from Montana for his contribution to the debate. He has always been a warm and sincere friend of agriculture. We have always counted upon him as being one of the best friends the farmers of our State have had.

Mr. CARLSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CARLSON. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas? The Chair hears none, and it is so ordered.

The Senate has before it for ratification the agreement revising and renewing the International Wheat Agreement of 1949.

If there be no amendment to be proposed, the agreement will be reported to the Senate.

The agreement was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read the resolution of ratification, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive H, 83d Congress, 1st session, a certified copy of the agreement revising and renewing the International Wheat Agreement, in the English, French, and Spanish languages, which was open for signature in Washington, April 13 to 27, inclusive, 1953, and was signed during that period on behalf of the Government of the United States of America and the governments of 44 other countries.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification.

Mr. FREAR. Mr. President, just a moment. Is the Senate about to vote on the question of ratifying the agreement?

The PRESIDING OFFICER. The Chair will state for the information of the Senator from Delaware, who has just entered the Chamber, that the question is on the ratification of the agreement.

Mr. FREAR. Mr. President, I should like to ask 1 or 2 questions of the sponsor of the resolution, who, I understand, is the distinguished senior Senator from North Dakota [Mr. LANGER].

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Delaware for the purpose of interrogation?

Mr. LANGER. I shall be glad to answer any question I can.

Mr. FREAR. For how many years is the agreement intended to be operative?

Mr. LANGER. For 3 years.

Mr. FREAR. Of the major countries, how many of them have ratified the new agreement?

Mr. LANGER. Forty-five importing and 4 exporting countries are in the process of ratifying it. The Senator will find the names of those countries in the report. The list includes four large wheat-exporting countries, namely, the United States, Canada, France, and Australia.

Mr. FREAR. Has the United Kingdom agreed to it?

Mr. LANGER. No.

Mr. FREAR. Will the distinguished Senator tell us why, in his opinion, the United Kingdom has not agreed to it?

Mr. LANGER. The objection is to paying \$2.05 a bushel, which, it is claimed, is 5 cents too much. I call attention to the testimony on this subject, particularly that of Mr. Stevens, vice president of General Mills, of Minneapolis, who is an expert and who has been heard as a witness for 29 years. Mr. Stevens attended all the negotiations in 1948, and again this year. It is his belief that the United Kingdom refused to ratify the agreement in the hope that it will be able to buy the wheat at dumping prices.

Mr. FREAR. How much are the wheat exporters of this country guaranteed?

Mr. LANGER. They are guaranteed from \$1.55 to \$2.05 a bushel.

Mr. FREAR. And for how many bushels?

Mr. LANGER. That will depend upon what England does. The reduction in quotas resulting from nonparticipation by the United Kingdom would be, on the 4-year average of sales, 177 million bushels. The 1949 agreement called for a total of 577 million bushels; the revised agreement calls for 595 million bushels.

Mr. FREAR. But we are guaranteeing the American producers of wheat a total exportation of how many bushels?

Mr. LANGER. They are guaranteed a total of 595 million bushels, 177 million bushels less if England does not sign the agreement.

Mr. FREAR. Am I correct in my understanding that the quota for the United States, under the revised agreement, would be 270 million bushels, for the duration of the agreement?

Mr. LANGER. That is correct, for each year.

Mr. FREAR. And there is a guaranty of \$2.05 a bushel. Is that correct?

Mr. LANGER. That is correct.

Mr. FREAR. Is there any guaranty as to what countries will be the recipients of our 270 million bushel of wheat?

Mr. LANGER. It would include all the countries with available dollars.

Mr. FREAR. In the event a country does not have the dollars, what then?

Mr. LANGER. In that case, it would not be required to take the wheat.

Mr. FREAR. If they do not have the dollars and do not take the wheat we shall not sell the 270 million bushels.

Mr. LANGER. They undoubtedly will take it, because the agreement has been in effect since 1948. Every country has met its obligation up to the present time.

Mr. FREAR. I understood the distinguished Senator from North Dakota to say that the United Kingdom is now withdrawing for a particular reason, namely, that it thinks it can get wheat at a lower price. If that be true with respect to the United Kingdom, why are we in the wheat agreement?

Mr. LANGER. Because we are satisfied that every one of the other 45 nations will take their quota at the maximum price. Any time the United States wants to do so it can withdraw.

Mr. FREAR. At any time?

Mr. LANGER. Yes.

Mr. FREAR. On how much notice?

Mr. LANGER. There is a provision whereby the wheat council takes a vote, and England can come in if it wants to come in.

Mr. FREAR. I have understood that at any time within the 3-year period the United Kingdom could come in.

Mr. LANGER. That is correct.

Mr. FREAR. Did we not recently pass in the Senate a measure which had previously been passed by the House extending the Reciprocal Trade Agreements Act?

Mr. LANGER. That is correct.

Mr. FREAR. Does not the Senator think the time prescribed in this agreement is too long a period when the Reciprocal Trade Agreements Act has been extended for only 1 year?

Mr. LANGER. The United States tried to get an agreement for 1 year. Canada, on the other hand, wanted an agreement for 4 years. The period of 3 years was arrived at as a compromise.

Mr. FREAR. Is it the Senator's personal opinion that a 1-year extension of the agreement might be timely, inasmuch as we have extended the Reciprocal Trade Agreements Act for 1 year?

Mr. LANGER. I would be in favor of 1 year, and the American representatives at the conference were in favor of 1 year.

Mr. FREAR. Would the Senator accept on behalf of his committee an amendment extending the agreement for 1 year?

Mr. LANGER. No, because it would ruin the entire agreement. It would have to be resubmitted to all the other nations involved, and it must be ratified before the 15th of July.

Mr. FREAR. Then I take it that the representatives of our Government have already signed, so far as their ability to do so is concerned, depending upon ratification by the Senate?

Mr. LANGER. That is correct.

Mr. CARLSON. Mr. President, will the Senator from Delaware yield?

Mr. FREAR. I yield.

Mr. CARLSON. I hope no effort will be made to reduce the period to 1 year, for the reason that it is very difficult to get 46 or more nations together to make an agreement. We have recently concluded a 4-year agreement. This is a 3-year agreement. I think 3 years is a sufficiently short time. There is a provision whereby nations can withdraw by resolution. I am in sympathy with the wishes of the Senator from Delaware, but in this case I think 3 years is not inappropriate.

Mr. FREAR. I do not think there is a Member of the Senate who comes from a finer State than is the State of Kansas, and I have very great confidence in the ability of the Senator from Kansas to think clearly, but, inasmuch as we have extended the Reciprocal Trade Agreements Act for 1 year and have established a commission to study the situation, I do not know that we are doing the right thing if we extend this agreement for 3 years. If we do so, I think we shall be bound to extend other agreements for 4 years. Conferences have been held regarding rubber, copper, and other commodities produced in other parts of the world, and we shall be asked to enter into some type of agreement concerning them. Such an agreement has not yet been presented to us. If in the case of wheat we enter into an agreement for a 3-year period, we may be setting a precedent which will cause difficulty. Since we have extended the Reciprocal Trade Agreements Act for 1 year and have established a commission to study and make representations to the legislative body, it appears to me that we may be going out of our way in making this 3-year agreement. I believe there have been conferences with respect to cotton and other agricultural items. This agreement pertains only to wheat.

Mr. CARLSON. Mr. President, I appreciate very much the position which the Senator from Delaware has taken. As he knows, I, too, am greatly interested in the study which is to be made of our international trade policies. It is important, if such a study is made, that agricultural products be included in the study. This agreement has nothing to do with tariffs. It has a great deal to do with international trade. There was some thought of trying to write a 1-year agreement, but the countries that have subscribed to this International Wheat Agreement refused to consider the matter on a 1-year basis. They want to know definitely for years to come where they can expect to get

their wheat. To them it is more important than it is to the United States.

Mr. FREAR. I do not know that I would think any differently than the importing countries think as to this agreement. But we as an exporting nation are agreeing to export 270 million bushels of wheat. I agree with that. I know we have to export that amount of wheat if we are going to continue to produce wheat as we are now doing, but we are tying ourselves down to a commitment with respect to wheat which may result in other commitments affecting every article we have to export or import. If we have to depend upon the executive branch of the Government to take care of our exports and imports, and if we are laying down a policy as to wheat, can we expect anything different in the case of other commodities? If we are establishing a guide and saying we are going to do this for wheat, are we not obligating ourselves with reference to many other commodities we may want to export or to import.

Mr. CARLSON. In view of the competition we are receiving from Canada and Australia, we shall be fortunate if we can conclude a 3-year agreement for exporting 270 million bushels of wheat. France is a party to the agreement. Argentina and Russia are not parties to it. It is important that we try to make sure, if possible, an exportation of 270 million bushels of wheat. It is important from our own standpoint because we will have on July 1, 1954, a surplus of 750 million bushels of wheat.

Last Saturday the Senate passed a bill to provide for an acreage allotment of 61 million acres of wheat in the United States. It has gone to conference, the conferees have submitted their report, and the Senate has agreed to the report. That bill provides for an acreage reduction of approximately 20 percent. That is a large reduction to ask any producer to take, but I think it is in the interest of good Government economy. Under this agreement the subsidy will be reduced from 60 cents to 40 cents a bushel. I think it is a very good agreement.

Mr. FREAR. I thank the Senator, and again I must say that I have great admiration for the fine wheat-producing State of Kansas. I desire to protect the farmers to the maximum extent, but I cannot let this agreement be ratified without expressing some fear as to what it will do. It may have repercussions on other parts of our economy.

If what the Senator says is true—and I know it is—in July 1954 we shall have a surplus of 750 million bushels. I believe the crop report for this year predicts somewhat over 1 billion bushels of wheat. The normal human consumption of wheat in this country is probably only approximately 500 million bushels, if it is that much. If we have a billion bushels, plus 750 million bushels, we shall have nearly 2 billion bushels of wheat, which represents 4 years of normal human consumption in the United States.

The Senator will say that that is a strong argument why we should export 270 million bushels of wheat. I admit

there is a fair basis for that argument but I believe we cannot overlook all the other features of our economy, even though it might be thought best to have a wheat agreement.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. YOUNG. I wish to comment on the figures the Senator from Delaware has used. The Senator said the human requirements would be about 490 million bushels. Beyond that amount, however, there are other requirements which must be met for feed and seed. The basic requirements are about 690 million bushels. The countries to which the United States is exporting wheat need it badly. They must have some assurance of future supply. I think the least that can be done is to try to work out an arrangement with the various nations of the world as to the amount of wheat they can expect from this country or some other country, and how much the United States plans to export.

There is considerable flexibility in the agreement with respect to price. I believe the price ranges from \$1.55 to \$2.05 a bushel. Based on present cash prices of wheat in the United States, there will be practically no subsidy at all. At present cash prices the cost now will be between 5 and 10 cents a bushel, as against about 60 cents a bushel a year ago.

Mr. FREAR. No doubt what the Senator has said is accurate, and the argument is very logical. But I believe what he has said with respect to animal consumption of wheat helps my side of the argument a little, because we must depend on human consumption if 690 million bushels of wheat a year are to be used.

By the same token perhaps we should look at the whole picture and not make an agreement affecting wheat alone, because the United States will have to depend on imports of copper, lead, zinc, and many other materials, ferrous and nonferrous, and, of course, there are other agricultural products besides wheat.

So, in view of the proposal already approved by Congress to establish a commission to make an inquiry, it would appear to me that the countries participating in the wheat agreement should see the position in which the United States finds itself and say, "Yes, we will give you a 1-year extension of the agreement, to the end that you may study the problem. We have had faith in you in the past. We know you have given us wheat in the past when we have been hungry, and have given us dollars in the past when we have been insolvent."

I believe the participating countries should give credit to the United States for using good judgment and sensibility in many instances, and say, "Yes, we will go along for 1 year." After the whole problem has been studied, it might be to the distinct advantage of many foreign countries which are buying from us, as well as to ourselves to have a longer extension. After the program has been developed we might then consider

a longer extension. I am not saying there should not be a wheat agreement. My position is that I doubt that this is the time to extend the wheat agreement for 3 years.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. YOUNG. In the years following World War II, when there was an extreme shortage of wheat and sugar, the world wheat price was \$5 or \$6 a bushel. Prices were held down in the United States to around \$3 or \$3.50 a bushel. Farmers in the United States could have gotten \$4 or \$5 a bushel or more. But the United States Government kept the price down in order to help the people of Europe. The farmers of this Nation went along with that program.

However, now, when we are looking to a future normal production of wheat and normal outlets for it, I do not think we can plan on a year-to-year basis; it is necessary to plan further into the future.

Mr. FREAR. Perhaps the Senator has misunderstood me. I do not say we should plan on a year-to-year basis. My opinion is that the wheat agreement might be extended for 1 year. Perhaps after that it could be extended for from 3 to 5 years.

All the Senator has said is additional proof that the participating nations should have confidence in the United States. They see now that we have wheat, and they know we expect to have wheat. We shall not let them starve, if they will permit us to ship the wheat. By the way, if they do not have dollars, if they cannot buy it with American dollars, the United States will let them have the wheat anyway. If we do not enter into an agreement, we shall let them have the wheat.

We should have an annual understanding. I believe foreign countries are entitled to have some assurance, as the Senator has said, but I believe our record shows our sincerity with the people of the wheat-consuming nations of the world. They will agree that when they have been in trouble we have come to their assistance. When they have been short of dollars we have given them dollars. When they have needed our other products from time to time we have come to their assistance so far as possible. I should say on behalf of participating countries that, in many instances, they have come to our rescue.

So it is necessary to have mutual cooperation in the wheat agreement. I do not want any Senator to think that I am opposed to an agreement such as has been proposed, or anything like it. I simply say that I believe this is not the proper time to extend the wheat agreement for 3 years, in the light of all the things we shall have under observation during the next 12 months, which will have to come before the Senate following the submission of reports.

After we have seen the reports, we may, as I have said, wish to extend the agreement for 5 years. Or we may not want a wheat agreement or a metal agreement or any agreement with foreign countries at all. I do not know

what the answer may be, but I believe we have supplied a large number of dollars from our Treasury to continue the wheat agreements. May I inquire of the Senator from Kansas or of either of the Senators from North Dakota the cost of past wheat agreement? Can the Senator from Kansas advise me the cost to the Treasury?

Mr. CARLSON. The senior Senator from North Dakota can answer the question.

Mr. LANGER. It has cost \$565 million.

Mr. FREAR. It has cost \$565 million to the taxpayers of the United States for the wheat agreement. How many years does that cover?

Mr. LANGER. Four years.

Mr. FREAR. We have concluded a 4-year agreement at a cost of more than half a billion dollars. What is the anticipated cost for the next 3 years?

Mr. LANGER. It will be considerably less. It will probably be about \$100 million a year.

Mr. FREAR. For a total of 3 years?

Mr. LANGER. For a total of 3 years.

Mr. FREAR. Does the Senator think that the United States can afford to subsidize wheat production in this country without limitation to the tune of either \$600 million or \$150 million, or whatever the cost may be, to the exclusion of other producers in the agricultural field or producers in the industrial field?

Mr. LANGER. My answer is that I believe we cannot afford not to do it. We cannot afford to allow other nations, such as Argentina and Russia, supply the demand, thus causing the American farmer to be caught with a mountain of wheat.

I think we are the luckiest people in the world to be able to participate in a wheat agreement negotiated for 3 years. The importing countries said, "We will buy the wheat, but we want a 3-year contract. To get it at this particular price, we will raise the price 40 cents a bushel." I think that was a mighty fine achievement.

Mr. FREAR. I do not deny what the Senator has said regarding the people who were interested in bargaining for a wheat agreement on behalf of the United States; I have the greatest admiration for them. Perhaps they have obtained the best agreement they could for the benefit of the economy of the United States and the farmers of the country. I want the Senator to know, too, that I have much sympathy for the farmer who produces wheat, just as I have for the broiler industry in the State of Delaware, and of producers of other agricultural products, not excluding any segment of the agriculture of the United States. There are many other segments of agriculture in the United States. I admit that wheat is basic, and I favor protecting wheat, but also I do not wish to exclude other segments of our agricultural economy.

Mr. LANGER. We are very anxious to have Missouri sell all the mules it can possibly sell, and to have Delaware sell all the broilers it can sell. But there is an enormous surplus of wheat, and a good agreement is needed, one which

will afford us an opportunity to dispose of 270 million bushels a year. I think we have made a good deal, and I think we ought to take advantage of it.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. YOUNG. I do not believe this proposal would operate to the exclusion of all other agricultural products. The Senator knows that all the duties and tariffs which are collected go into a fund known as the section 32 fund. It amounts to a little more than \$100 million a year, which is used to help the producers of perishable farm commodities. It is used to help export them and to support prices.

Mr. FREAR. I understand that, but the Senator will also agree that if the \$100 million were not used for wheat, it could be used for other purposes.

Mr. YOUNG. For perishable commodities.

Mr. FREAR. That is correct.

I should also like to direct a question to either the Senator from Kansas [Mr. CARLSON] or the Senator from North Dakota [Mr. LANGER]. I shall not delay the Senate much longer.

We are overproduced at the present time so far as the consumption of wheat in this country is concerned. We shall either have to reduce the production of wheat or suffer from further surpluses. If nature does not take care of the situation we shall have to establish controls or find greater export markets, either for cash, give-away, or some other method, because our storage facilities are now breaking at the seams and we are frantically looking for places—even ship bottoms—in which to store this year's wheat crop.

Suppose the producers of the country other than the producers of wheat—perhaps the producers of corn or cotton, so far as agriculture is concerned—were to find themselves in the same position. What would be the position of this body in regard to those people?

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. CARLSON. This year the wheat producers will be forced to take a reduction based upon an order already issued by the Secretary of Agriculture. The order, which was issued on June 29, calls for the reduction of wheat acreage in the United States. Congress will determine in the next day, I hope—because the time expires on July 15—the policy with respect to establishing a national wheat quota and acreage allotments, and the extent to which the reduction shall go. In my opinion there will be at least a 20-percent reduction. That is quite a reduction to ask every farmer who produces more than 15 acres of wheat to take. They are going to take it. They must take it in order to get advantage of the guaranteed loan price.

I am most sympathetic toward producers of other commodities which are in surplus. I am interested not only in wheat, but in other commodities. A moment ago the distinguished Senator from Delaware asked whether we could afford this program, the cost of which

has been \$565 million. A serious question is, Can we afford not to do it?

It might be logical to say, "Let us quit producing wheat for 2 or 3 or 4 years." Even if we could stop wheat production in the Nation for several years, we would immediately destroy our economy, and the good people of the Senator's State would be looking for work the next morning if such a thing were to happen.

Mr. FREAR. Mr. President, I have a great deal of sympathy with what the Senator says. I do not believe we could tell the farmers of Kansas that they are not to produce wheat for an entire year. I do not think that would be logical. I would not want the Senator to tell me that I could milk my cows only 6 days a week, and let them rest on the seventh, even though I believe in Holy Writ.

I realize that there are certain parts of the economy which cannot be unseated for a particular advantage to any one group or any one nation, or any group of nations. Let me say with all the stress I can place upon the statement that I am not in disagreement with the principle of a wheat agreement. The only thing I am trying to say is that we should extend it for 1 year instead of 3 years, in the light of all we have said and done in this country, and all the commissions we have appointed to study problems, not only with respect to farm products, but with respect to other products. We have appointed committees and commissions and boards to study our total imports and exports. After the reports of commissions come before us we may be in a better position to decide whether we want to extend the agreement for 1 year, 3 years, or 5 years.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. CARLSON. The distinguished Senator from Delaware suggest that he would be very much opposed to any order or regulation which would permit us to milk our cows only 6 days in the week. I remind him that if we could do that, it would no doubt relieve the butter surplus in a hurry.

Mr. FREAR. I must correct the Senator slightly. I did not say anything about an order being issued. I said I would object if the Senator told me I could not milk my cows more than 6 days a week. I still believe that the farmers are free, and if they do not want to sign the wheat-acreage allotment agreement or enter into the control program, they do not have to do so.

Mr. CARLSON. Certainly that is correct.

Mr. FREAR. If they do not sign it, they can produce as much wheat as they like.

Mr. CARLSON. With respect to the rules, regulations, and orders which restrict production, the wheat-acreage allotment which will be submitted to the farmers of the Nation must carry by a two-thirds vote, not merely a majority. If two-thirds of the wheat growers do not vote for the wheat-acreage allotment reduction of 20 percent, there will be no wheat-acreage allotment, and loans will go to \$1.05 a bushel next year.

Mr. FREAR. I think the Senator from Kansas is strictly in accord with that provision of our Controls Act.

Mr. CARLSON. I am very definitely in favor of acreage allotments and controls when we have guaranteed prices. In fact, that is the only way we can control surpluses.

Mr. FREAR. I am very happy to hear the Senator say that, although I think he has said it before, and I think I have known previously his views on that question. We cannot economically continue to give price supports unless we have some method of controlling the production of the product whose price we seek to support.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. MANSFIELD. I should like to say to the distinguished Senator from Delaware that so far as his objection to the 3-year extension is concerned, the American delegation did try to obtain a shorter period for an extension of the International Wheat Agreement. Unfortunately, the great majority of the nations concerned agreed to a 3-year extension. At the present time this particular agreement is before the parliaments of most of the countries, and it would be almost an impossibility now to consider a 1-year extension. If we were to do so, the entire agreement would have to be rewritten.

Another thing I should like to bring to the attention of the Senator from Delaware is this: There is no reason why, in the United States, other agreements cannot be worked out covering other products. I understand that is one of the objections which the Senator has to the pending proposal.

While I am on my feet, I will say that the chairman of the subcommittee handling this particular measure, the distinguished Senator from North Dakota [Mr. LANGER] did a magnificent job in the hearings. He certainly tried to protect the interests of all concerned in the course of the proceedings covering this particular agreement.

It is the hope of the committee that this agreement which is the best we can do at this time, will be ratified as soon as possible, so that under this agreement we can get our share of the world market. The agreement gives us a great deal of security with respect to our surplus wheat. The agreement establishes both a ceiling and a floor, and gives us that much in the way of protection, which otherwise we would not have.

Mr. FREAR. I believe that what the Senator from Montana has said is true. I also say to the Senator from North Dakota that I believe that when he is conducting the affairs of the subcommittee or the committee at all times he is fair to those who present their problems to him as well as to his colleagues in the Senate.

I do not wish my statement to be considered as any reflection on the ability of the Senators with whom I have had debate. I am quite confident that their ability is of the highest, and that their motives are to do what is best for the

farmers of the country. I will go even further than that. I believe that they would not give the farmers any undue advantage over other elements of our society. I think they would be fair to the entire economy, including the farmers. I believe they are perfectly sincere in the attitude they have taken in the hearings and in the proposal they have brought before the Senate for ratification.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. YOUNG. The International Wheat Agreement, in effect, gives us a two-price system for a part of our wheat exports. That is very similar to the trade programs or practices carried on by almost every other nation in the world. The Canadians, in the wheat pool, establish an arbitrary and higher price for domestic consumption, and a lower price for export. That is the practice of Argentina, Russia, and almost every other country of the world which exports wheat. I do not know of any other way American wheat producers could compete in foreign markets. I hope some day we can get down to a self-financing program for a two-price system so that we can meet competition from other nations of the world.

Mr. FREAR. I should like to ask another question of the Senator from North Dakota. If the free world market price of wheat or if the free market price in this country falls below \$1.55 a bushel, does it have any bearing on the cost?

Mr. YOUNG. Yes. At the present time cash wheat is selling for as much as 65 cents a bushel below the support level of \$2.21 per bushel. There are many markets in the United States in which wheat could be purchased and actually a profit made on the purchase. Therefore, at present cash market wheat prices there would be practically no loss whatever for international wheat program operations. Of course, prices can go up, too.

Mr. FREAR. Yes. The reason I asked the question was that the distinguished senior Senator from North Dakota stated it might cost the Government \$100 million over a period of 3 years. I assume the figure may have been determined on the basis of the cash wheat price in this country, because if the cash price went up the only thing that could affect it would be the loan agreement wheat on which we would have to pay a subsidy, so to speak. In that event, if the price went up 40 cents a bushel, it would amount to more than \$100 million.

Mr. YOUNG. If the cash price went up, it would be much more. The agreement in the pact called for \$1.80 a bushel. In the future the price is \$2.05 a bushel, which is 25 cents a bushel more than last year.

Mr. FREAR. I realize the sincerity of the sponsors of the agreement, and I realize the sincerity of those who fought for the best interests of the United States in the meeting of the nations when the proposed agreement was entered into by the representatives of the 45 countries.

However, I wish at least to be on record as having expressed myself somewhat in

opposition, and as being alarmed, perhaps, in view and in light of what the Senate has done in extending the Reciprocal Trade Agreements Act for 1 year, and also with reference to the participation that is expected of members of this Government with other governments in regard to other commodities within the next 12-month period.

It is certainly not my intention to delay action on important bills before the Senate.

I wish to thank the Senators who have answered my questions. They have made very intelligent answers to my questions, and they have sought to do justice to their convictions. I am sure it is unfortunate that the junior Senator from Delaware cannot wholeheartedly agree with their opinions.

Mr. President, I wish to commend again the courage which the representatives of the foreign nations have exemplified in the meeting on the wheat agreement, and I should also like to pay tribute to the representatives of our Government.

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Martin
Anderson	Gore	McCarran
Barrett	Green	McCarthy
Beall	Griswold	McClellan
Bennett	Hayden	Millikin
Bricker	Hendrickson	Monroney
Bush	Hennings	Morse
Butler, Md.	Hickenlooper	Mundt
Butler, Nebr.	Hill	Murray
Byrd	Hoey	Neely
Capehart	Holland	Payne
Carlson	Hunt	Potter
Casé	Ives	Purtell
Chavez	Jackson	Robertson
Clements	Jenner	Russell
Cooper	Johnson, Colo.	Saltonstall
Cordon	Johnson, Tex.	Schoeppel
Dirksen	Johnston, S. C.	Smathers
Douglas	Kennedy	Smith, Maine
Duff	Kerr	Smith, N. J.
Dworshak	Knowland	Symington
Eastland	Kuchel	Thye
Ellender	Langer	Tobey
Ferguson	Lehman	Watkins
Flanders	Long	Welker
Frear	Magnuson	Wiley
George	Malone	Williams
Gillette	Mansfield	Young

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the agreement is ratified.

LEGISLATIVE SESSION

Mr. LANGER. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

AMENDMENT OF INTERNATIONAL WHEAT AGREEMENT ACT OF 1949

Mr. LANGER. I move that the Senate proceed to the consideration of Sen-

ate Joint Resolution 97, to amend the International Wheat Agreement Act of 1949. The joint resolution is brief, was reported favorably by the committee, and will make applicable to the new International Wheat Agreement the legislation which applied to the International Wheat Agreement of 1949.

The motion was agreed to; and the Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The joint resolution is open to amendment.

If there be no amendment to be proposed, the question is on engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 97) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That section 2 of the International Wheat Agreement Act of 1949 (63 Stat. 945) is amended by inserting before the parenthesis at the end of the first sentence thereof the following: "and the agreement revising and renewing the International Wheat Agreement for a period ending July 31, 1956, signed by Australia, Canada, France, the United States, and certain wheat-importing countries."

SEC. 2. Reference in any law to the International Wheat Agreement of 1949 shall be deemed to include the agreement revising and renewing the International Wheat Agreement.

CIVIL AERONAUTICS BOARD POLICIES IN RELATION TO INDEPENDENT CARRIERS

Mr. MORSE. Mr. President, last Saturday, when I was giving my weekly report as the representative of the Independent Party, I postponed a brief discussion of certain policies of the Civil Aeronautics Board, stating that I would take up that subject at a later date.

On Saturday afternoon, at a later hour, the Senator from Alabama [Mr. SPARKMAN] inserted in the RECORD a speech he had prepared on the subject of irregular air carriers. His speech will be found in the CONGRESSIONAL RECORD on page 8826. I am happy to associate myself with the remarks of the Senator from Alabama on this subject.

Earlier today the Senator from Missouri [Mr. HENNING] delivered a brief speech on the general subject matter of the policies of the Civil Aeronautics Board in relation to the so-called independent carriers. At this time I wish to continue that discussion for a few minutes.

Mr. President, during the last few weeks the Civil Aeronautics Board has once again revealed its naked desire to uproot and destroy any seed of competition in the civil aviation field. As I understand it, the chairman of the Senate Small Business Committee, the Senator from Minnesota [Mr. THYE], transmitted to the Civil Aeronautics Board, on June 9, an urgent request that it postpone its enforcement actions against the large irregular carriers until such time as the Senate Small Business Committee has been able to prepare its report and give to Congress and to the Civil Aeronautics Board a constructive solution.

The Board evidently responded to the Senator's suggestion not with words, but with a resounding slap. On the 16th of June, the Board issued an order refusing to dismiss or postpone its move to revoke the operating authority of the North American aircoach system—the model independent operator in the country. In its statement the Board said that it "would proceed with the enforcement of existing requirements in the usual manner." In other words, the Board proposes to follow its pattern of suppressing and exterminating every enterprise which dares to offer common-carrier service to the general public at low cost—in the interest of protecting the so-called grandfather carriers. Parenthetically, I may say that, in 1938 there were 16 certified grandfather carriers. There are, in 1953, 13 certificated carriers. It may well come to pass that during the next couple of months, through merger, there may be only 11 certificated companies carrying passengers on the main trunk routes of the Nation.

We have yet to witness the Civil Aeronautics Board issuing one certificate of convenience and necessity in the common-carrier field for trunkline service between two major cities.

We have yet to see an enforcement proceeding against a nonscheduled operator in which there was any doubt whatsoever as to the technical violations of the company involved—and as to the outcome of the proceeding. It would be impossible for any operator to fly large aircraft on the basis of irregularity and infrequency and still maintain any kind of adequate public service. A traveler must know in advance when a plane is going to depart, when it is going to arrive, where he can buy his ticket, and from what place he can collect his baggage. These things cannot be done if the operation is conducted on a tramp-steamer basis. The Civil Aeronautics Board knows this better than anyone else. Yet it has designed a series of snares, traps, tightropes, and pitfalls in the guise of economic regulations. If one can run their gauntlet and not be tagged he will discover new rules and new obstacles are immediately contrived to take away the fruits of success.

The regulations which the Board is invoking against the nonscheduled operations in the current proceedings were adopted without any hearings. The Board adopted so-called economic regulations with the avowed intent to put the new enterprises out of business. Its intention is revealed in written memoranda which were exposed during the recent Senate Small Business Committee hearings when Oswald P. Ryan, Chairman of the Civil Aeronautics Board, acknowledged the authenticity of the documents which proclaimed the Board's plan to eliminate the nonscheduled operations by erecting economic regulations, adherence to which spells bankruptcy, and violation of which spells prosecution.

The Board's regulations have been so arbitrary and divisive that carriers have been compelled to violate them in order to stay in business. One may term this type of noncompliance "compulsory vio-

S. J. RES. 97

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 1953

Referred to the Committee on Banking and Currency

JOINT RESOLUTION

To amend the International Wheat Agreement Act of 1949.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That section 2 of the International Wheat Agreement Act
4 of 1949 (63 Stat. 945) is amended by inserting before the
5 parenthesis at the end of the first sentence thereof the fol-
6 lowing: "and the agreement revising and renewing the Inter-
7 national Wheat Agreement for a period ending July 31,
8 1956, signed by Australia, Canada, France, the United
9 States, and certain wheat importing countries".

10 SEC. 2. Reference in any law to the International Wheat
11 Agreement of 1949 shall be deemed to include the agree-
12 ment revising and renewing the International Wheat
13 Agreement.

Passed the Senate July 13 (legislative day, July 6),
1953.

Attest:

J. MARK TRICE,

Secretary.

83d CONGRESS
1st Session

S. J. RES. 97

JOINT RESOLUTION

To amend the International Wheat Agreement
Act of 1949.

JULY 14, 1953

Referred to the Committee on Banking and Currency

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 22, 1953
For actions of July 21, 1953
83rd-1st, No. 136

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HIGHLIGHTS: Senate passed FCA reorganization bill. House committee reported Wheat Agreement. House Rules Committee cleared trade agreements bill. House agreed to conference report on 1st independent offices appropriation bill. Both Houses agreed to conference report on State, Justice, Commerce appropriation bill. Both Houses completed congressional action on Army civil appropriation bill. Senate committee reported bill to continue sugar agreement. Sen. Johnson, Tex., urged water conservation program. Rep. Ikard criticized USDA instructions for distributing drought-relief feed. Rep. Hagen criticized USDA stand on cotton allotments.

SENATE

1. FCA REORGANIZATION. Passed H. R. 4353, to provide for reorganization of the Farm Credit Administration, with an amendment substituting the language of S. 1505 as reported. Sens. Schoeppel, Thyne, Mundt, Hoey, and Holland were appointed conferees. (pp. 9693-702.)
2. APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 5376, the Army civil appropriation bill (which contains flood-control items), and acted on amendments which had been reported in disagreement (pp. 9672, 9593-9). This bill will now be sent to the President.
Both Houses agreed to the conference report on H. R. 4974, the State, Justice, Commerce appropriation bill for 1954, and acted on amendments which had been reported in disagreement. Senate conferees were appointed for a further conference on one amendment in disagreement. (pp. 9658-9, 9573-82).
H. R. 5969, the defense appropriation bill, was made the unfinished business (p. 9702).
3. SUGAR. The Foreign Relations Committee reported without reservation Executive L, a protocol prolonging for 3 years after August 31, 1952, the international agreement regarding the regulation of production and marketing of sugar (S. Ex. Rept. 6)(p. 9612).
4. RUBBER. Passed with amendments H. R. 5728, providing for sale of Government rubber-producing facilities (pp. 9645, 9652-3, 9655-8, 9661-76, 9673-92).

5. SMALL BUSINESS. Senate and House conferees were appointed on H. R. 5141, to create a Small Business Administration (pp. 9651-3, 9566).
6. PERSONNEL. Passed without amendment H. R. 5228, to provide annuities for retired Comptrollers General (pp. 9645, 9651-2). This bill will now be sent to the President.
7. FOOD INSPECTION. A subcommittee of the Labor and Public Welfare Committee voted to report to the full committee H. R. 5740, to restore Food and Drug Administration authority for factory inspections (p. D746).
8. WATER CONSERVATION. Sen. Johnson, Tex., urged a water-conservation program to prevent drought and floods (pp. 9612-3, 9617).

HOUSE

9. TRADE AGREEMENTS. The Rules Committee reported a resolution for consideration of H. R. 5894, to further amend the Trade Agreements Extension Act to provide additional protection to American workers, farmers, etc. (pp. 9566, 9610).
10. LAND TRANSFERS. The Agriculture Committee reported with amendment H. R. 107, to transfer the site of the original Ft. Buford to N. Dak (H.Rept.891)(p.9610).
A subcommittee of the Government Operations Committee voted to report to the full Committee H. R. 5605, providing that transfers of real property from certain agencies (including CCC and certain FCA agencies) shall not operate to remove such real property from local tax rolls (p. D748).
11. CONTRACTS. The Judiciary Committee reported with amendment H. R. 1825, to prescribe policy and procedure in connection with construction contracts made by executive agencies (H. Rept. 892)(p. 9610).
12. WHEAT AGREEMENT. The Banking and Currency Committee reported without amendment S. J. Res. 97, to carry out the new International Wheat Agreement (H. Rept. 893)(p. 9610).
13. APPROPRIATIONS. Agreed to the conference report on H. R. 4663, the first independent offices appropriation bill for 1954 (pp. 9583-93).
14. DROUGHT RELIEF. Reps. Ikard, Rogers (Tex.), Marshall, Rayburn, Poage, and others criticized the Department's recent telegram containing instructions for dispensing Government surplus feed in the drought area (pp. 9605-8).
15. COTTON QUOTAS. Rep. Hagen, Calif., criticized John H. Davis' testimony before the House Agriculture Committee regarding H. R. 5669, Rep Hagen's bill on cotton allotments and quotas (pp. 9608-9).
16. FOREIGN AID. Rep. Rogers, Mass., commended the President's renewed offer of food for East Germany (p. 9609).
17. WATER UTILIZATION. The Interior and Insular Affairs Committee ordered reported (but did not actually report) S. 1197, consenting to a water compact between Nebr., Wyo., and S. Dak., and H. R. 4854, authorizing the Foster Creek irrigation works, Wash. (p. D748).

BILLS INTRODUCED

18. SURPLUS PROPERTY. H. R. 6432, by Rep. Lantaff, to permit disposal of surplus property for State and local health programs; to Government Operations

AMENDMENT TO INTERNATIONAL WHEAT AGREEMENT ACT OF 1949

JULY 21, 1953.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WOLCOTT, from the Committee on Banking and Currency,
submitted the following

REPORT

[To accompany S. J. Res. 97]

The Committee on Banking and Currency, to whom was referred the joint resolution (S. J. Res. 97) to amend the International Wheat Agreement Act of 1949, having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass.

BACKGROUND

The International Wheat Agreement of 1949, in which the United States participated together with 3 other exporting countries and 42 importing countries, will by its terms expire on July 31, 1953. A new agreement revising and renewing the International Wheat Agreement of 1949 for a period of 3 years has been negotiated, and by April 27, 1953, the new agreement was signed by some 45 countries, 4 of which are exporting countries (the United States, Australia, Canada, and France) and 41 are importing countries. Your committee has been informed that the International Wheat Council, now meeting in London, has received applications for accessions to the new wheat agreement of four additional importing countries, which applications have been approved by the Council. The new agreement was approved by the Senate on July 13, 1953, and ratified by the President on July 14, 1953.

The International Wheat Agreement Act of 1949 provided the necessary implementing legislation to carry out United States participation in the International Wheat Agreement. That act authorized the President, acting through the Commodity Credit Corporation, to make available, or cause to be made available, such quantities of wheat and wheat flour and at such prices as are necessary to exercise the rights, obtain the benefits, and fulfill the obligations of the United States under the International Wheat Agreement of 1949, and to take

certain other action as may be necessary to the implementation of that agreement. Under this authority the Commodity Credit Corporation has made wheat available under the agreement by using wheat acquired by it under its price-support program and by making export payments to exporters for wheat and wheat flour exported to member countries of the agreement in accordance with the terms and conditions of the export payment program. The act requires the Commodity Credit Corporation to utilize the usual and customary channels of trade and commerce to the maximum extent practicable in making wheat available under the agreement; and most of the transactions recorded with the International Wheat Council as credits to the guaranteed quantity of the United States exports under the agreement have been made by the private trade. The Commodity Credit Corporation is reimbursed for the actual cost of carrying out these functions under the act through payments made to it from funds appropriated for such purpose, as authorized by the act.

The International Wheat Agreement Act of 1949 also empowers the President to regulate imports and exports of wheat and wheat flour to the extent necessary to implement the agreement.

Senate Joint Resolution 97 would amend the International Wheat Agreement Act of 1949 to permit that act to be used to implement the new agreement. In your committee's hearings on the joint resolution favorable action was recommended by the Department of Agriculture, national farm organizations, and representatives of the private wheat trade.

OPERATION OF THE INTERNATIONAL WHEAT AGREEMENT

As in the case of the 1949 agreement, the purpose of the new agreement is to provide an assured market to wheat-exporting countries at a specified minimum price and assured supplies for wheat-importing countries at a specified maximum price, while maintaining the largest possible degree of flexibility between these prices and avoiding interference with private trade and with the internal policies and programs of member countries. A number of importing countries are signatories to the new agreement which were not included among the original signatories to the 1949 agreement. These became parties to that agreement by accession after it went into force. The most important potential change in the scope of the agreement arises from the failure of the United Kingdom to become a signatory to the new agreement. As further explained below, the terms of the agreement make it possible for the United Kingdom to participate through accession after the agreement enters into force. If it should fail to do so, however, the agreement provides for an adjustment in quotas so that the quantitative obligations of the exporters will be equal to those of the importers.

As in the 1949 agreement, the basic obligation incurred by each exporting country is to deliver a specified quantity of wheat at the maximum price in the agreement, and that of each importing country is to purchase a specified quantity of wheat at the minimum price. In both cases these obligations come into effect only after action by the Council and are subject to certain safeguards specified in the agreement.

While the basic nature of the obligations and rights acquired by the United States in this agreement is thus essentially the same as in the

1949 agreement, the new agreement involves a larger quantity of wheat for the United States and a substantial improvement in the maximum and minimum prices it may receive.

The guaranteed quantities of importing countries represent the quantities which those countries may be required by the Council to buy at the minimum price from the exporting countries as a group and within the guaranteed quantity of each. The guaranteed quantities of the exporting countries represent the quantities which those countries may be required by the Council to sell at the maximum price to the importing countries as a group within the guaranteed quantity of each. The obligation of exporters to sell at the maximum price is thus matched by a right to sell the same quantity at the minimum.

Action of the Council to prescribe sales and purchases is reserved for the case of an importing country having difficulty in buying its guaranteed quantity at the maximum and of an exporting country having difficulty in selling its guaranteed quantity at the minimum price. Otherwise the function of the Council is that of recording transactions against the guaranteed quantities.

In the new agreement the guaranteed quantity of the United States is 270 million bushels as compared with 168 million when the 1949 agreement entered into force and 253 million at the present time in the 1949 agreement. The increase in the United States quota under the present agreement has taken place as a result of voluntary action to meet requests by importing countries, including those which have acceded to the agreement.

As applied to the current crop year, the prices specified in the 1949 agreement are: maximum \$1.80 per bushel, minimum \$1.20 per bushel. For the duration of the new agreement, the prices specified are: maximum \$2.05, minimum \$1.55.

The renegotiation of the agreement has resulted in a redistribution of quotas which is believed to accord more closely with the requirements and the ability to perform of the respective signatories. A number of importing countries voluntarily reduced their guaranteed quantities, while many others secured larger quotas more nearly covering the quantities they wish to import under the agreement.

Apart from these changes in quantities and prices certain changes in the text of the agreement, while not altering its basic character, merit specific mention. These changes include a limitation of the carrying charges which a buyer must sustain; provision in certain circumstances for consultation by the Council with an advisory panel before deciding disputes; qualified recognition of the principle that importing countries should not resell wheat secured at the maximum price through action of the Council; and an additional provision to discourage possible abuses of the short-crop and balance-of-payments safeguards.

While the agreement was not signed on behalf of the United Kingdom within the period provided by its terms, that country can nevertheless accede to the agreement subsequent to its entry into force on July 15 by a two-thirds vote of exporting countries and a two-thirds vote of importing countries. As noted previously, four new importing countries have already acceded to the new agreement. The agreement also provides that if any exporting country considers its interests to be seriously prejudiced by nonparticipation or withdrawal of an importing country responsible for a quota of more than 5 percent of the total in the agreement, such country may withdraw before August

1 by notification to the United States Government. An importing country is accorded this same privilege upon nonparticipation or withdrawal of an exporting country. The quota established for the United Kingdom represented about 30 percent of the aggregate quantity of the importers.

If the United Kingdom fails to take advantage of the privilege of acceding to the agreement or if any of the signatories fails to ratify, a mechanism is provided for the redistribution by the Council of guaranteed quantities to balance the total of the guaranteed quantities of exporters with those of importers. This redistribution would be made by a pro rata reduction of the guaranteed quantities of exporters or importers unless the Council should decide otherwise by a vote of two-thirds of the exporters and two-thirds of the importers.

Annexes A and B to article III of the new agreement contain the amount of guaranteed purchases by the importing countries and guaranteed sales by the exporting countries. They are as follows:

ANNEX A TO ARTICLE III

*Guaranteed purchases*¹

Crop year Aug. 1 to July 31	1953-54	1954-55	1955-56	Equivalent in bushels for each crop year
	Thousands of metric tons			
Austria.....	250	250	250	9,185,927
Belgium.....	615	615	615	22,597,382
Bolivia.....	95	95	95	3,490,652
Brazil.....	360	360	360	13,227,756
Ceylon.....	255	255	255	9,369,616
Costa Rica.....	35	35	35	1,286,030
Cuba.....	202	202	202	7,422,229
Denmark.....	50	50	50	1,837,185
Dominican Republic.....	26	26	26	955,336
Ecuador.....	35	35	35	1,286,030
Egypt.....	400	400	400	14,697,484
El Salvador.....	20	20	20	734,874
Federal Republic of Germany.....	1,500	1,500	1,500	55,115,565
Greece.....	350	350	350	12,860,299
Guatemala.....	25	25	25	918,593
Haiti.....	45	45	45	1,653,467
Honduras.....	15	15	15	551,155
Iceland.....	11	11	11	401,181
India.....	1,500	1,500	1,500	55,115,565
Indonesia.....	142	142	142	5,217,607
Ireland.....	275	275	275	10,104,520
Israel.....	215	215	215	7,899,893
Italy.....	850	850	850	31,232,154
Japan.....	1,000	1,000	1,000	36,743,710
Lebanon.....	75	75	75	2,755,778
Liberia.....	2	2	2	73,487
Mexico.....	415	415	415	15,248,640
Netherlands.....	675	675	675	24,802,004
New Zealand.....	160	160	160	5,878,994
Nicaragua.....	10	10	10	367,437
Norway.....	230	230	230	8,451,053
Panama.....	20	20	20	734,874
Peru.....	185	185	185	6,797,586
Philippines.....	236	236	236	8,671,515
Portugal.....	175	175	175	6,430,149
Saudi Arabia.....	60	60	60	2,204,623
Spain.....	145	145	145	5,327,838
Sweden.....	25	25	25	918,593
Switzerland.....	215	215	215	7,899,893
Union of South Africa.....	320	320	320	11,757,987
United Kingdom.....	4,819	4,819	4,819	177,067,939
Venezuela.....	170	170	170	6,246,431
Total (42 countries).....	16,208	16,208	16,208	595,542,052

¹ Your committee has been informed that the International Wheat Council has approved applications for increases in guaranteed purchases for 11 importing countries in the amount of 308,000 metric tons which together with the quotas for the 4 new importing countries acceding to the agreement (235,000 metric tons) is the equivalent of 19,800,000 bushels.

ANNEX B TO ARTICLE III

Guaranteed sales

Crop year Aug. 1 to July 31	1953-54	1954-55	1955-56	Equivalent in bushels for each crop year
	Thousands of metric tons			
Australia ¹	2,041	2,041	2,041	75,000,000
Canada.....	6,804	6,804	6,804	250,000,000
France.....	10	10	10	367,437
United States of America.....	7,353	7,353	7,353	270,174,615
Total.....	16,208	16,208	16,208	595,542,052

¹ In the event of the provisions of article X being invoked by Australia by reason of a short crop, it will be recognized that certain markets, by virtue of their geographical position, are traditionally dependent upon Australia for the supply of their requirements of wheat grain and wheat flour. The necessity of meeting these requirements will be one of the factors to be taken into account by the Council in determining the ability of Australia to deliver its guaranteed sales under this agreement in any crop year.

The new agreement is an effective method of marketing surplus wheat abroad while preserving stability in world wheat markets for the benefit of both surplus and deficit countries. It involves a minimum of interference with private trade. The alternative to this agreement could well be disorderly and inefficient competition between friendly governments in their search for outlets for their export surpluses or assured sources of supply.

It is recognized by the overwhelming majority of exporting and importing countries alike that some agreement to provide for international marketing cooperation in wheat is necessary and desirable at this time. An agreement is necessary because of the peculiar characteristics of the wheat trade. The United States has a price-support program. Every major producing country has some method of insulating its wheat farmers against widely fluctuating prices. Wheat is so vital a commodity to importing countries that few of them are willing to leave their wheat supplies to chance.

The result is that nearly all governments make decisions that affect the wheat markets. Acting alone, without knowledge of the needs and plans of others, governments may work at cross-purposes. They may cancel out one another's efforts, aggravating the problems and giving rise to a need for more, not less, government intervention in wheat.

One of the accomplishments of the drafters of the wheat agreement is the extent to which they have succeeded in keeping interference with normal trade to a minimum. The agreement does not prevent competition from determining the difference in value between the various grades of wheat. It does not displace private exporters. And, except at the maximum or minimum price in the agreement, it does not interfere with the free market as a determinant of price. It does not at all restrict trade in wheat outside of the agreement.

The agreement also avoids interference with the internal policies of participating governments. Those governments have certain obligations as to total exports or total imports when the maximum or minimum prices are reached, but the internal methods they use to enable them to meet these obligations are entirely their own affair.

If world wheat trade is carried out without international agreement, there will nevertheless be governmental interference with the trade

because the policies and programs of both exporting and importing countries require it. There will be competition, but it may be of the kind we do not want, a competition between governments of friendly countries, under conditions that could lead to bitter rivalry, with damage to all. It was this consideration that led to the new wheat agreement.

The domestic wheat position is presented in the following table which shows detail as to supply and disappearance over the past several years.

United States wheat: Supplies and disappearance

[In millions of bushels]

Crop year	Supply			Disappearance		
	Production	Stocks, July 1	Total	Domestic	Net export	Total
1942-43	969	631	1,600	954	27	981
1943-44	844	619	1,463	1,240	-94	1,146
1944-45	1,060	317	1,377	996	102	1,098
1945-46	1,108	279	1,387	898	389	1,287
1946-47	1,152	100	1,252	771	397	1,168
1947-48	1,359	84	1,443	761	486	1,247
1948-49	1,295	196	1,491	682	502	1,184
1949-50	1,098	307	1,405	683	297	980
1950-51	1,019	425	1,444	694	354	1,048
1951-52 ¹	981	396	1,377	678	443	1,121
1952-53 ²	1,291	256	1,547	692	295	987

¹ Preliminary.

² Estimated.

The relative importance of sales under the wheat agreement to exports of domestic wheat is readily apparent when sales under the 1949 agreement are compared with total net exports as set forth below.

Exports of United States wheat

[In millions of bushels]

Years ending ¹	Sales under wheat agreement	Total Net exports
1950	163	297
1951	249	354
1952	255	443
1953 ²	253	295

¹ Sales of wheat under the wheat agreement are for years ending July 31. Total net exports are for years ending June 30.

² Estimated.

One of the fundamental bases for extension of the International Wheat Agreement is that it gives more stability to international trade in wheat by assuring the importing countries access to supplies at not more than a predetermined maximum price and by assuring exporting countries of a market for a given quantity of wheat at not less than a predetermined minimum price. Without an International Wheat Agreement the payment of export subsidies by the United States likely would lead to a competitive subsidization of wheat exports by other countries. This could be very expensive to all wheat-exporting countries. In the absence of an international agree-

ment heavy subsidization of wheat exports could lead importing countries to erect trade barriers for the protection of their domestic producers. In addition it could greatly increase the difficulty of developing a sound international trade in wheat by giving importers the idea that wheat is worth less than its real value.

Senate Joint Resolution 97 was reported unanimously by your committee.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the joint resolution, as passed the Senate, are shown as follows (new matter is printed in italic; existing law in which no change is proposed is shown in roman):

INTERNATIONAL WHEAT AGREEMENT ACT OF 1949

AN ACT To give effect to the International Wheat Agreement signed by the United States and other countries relating to the stabilization of supplies and prices in the international wheat market

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the "International Wheat Agreement Act of 1949".

SEC. 2. The President is hereby authorized, acting through the Commodity Credit Corporation, to make available or cause to be made available, notwithstanding the provisions of any other law, such quantities of wheat and wheat-flour and at such prices as are necessary to exercise the rights, obtain the benefits, and fulfill the obligations of the United States under the International Wheat Agreement of 1949 signed by Australia, Canada, France, the United States, and Uruguay, and certain wheat importing countries *and the agreement revising and renewing the International Wheat Agreement for a period ending July 31, 1953, signed by Australia, Canada, France, the United States, and certain wheat importing countries* (hereinafter called "International Wheat Agreement"). Nothing herein shall be construed to preclude the Secretary of Agriculture, in carrying out programs to encourage the exportation of agricultural commodities and products thereof pursuant to section 32 of Public Law 320, Seventy-fourth Congress, as amended, from utilizing funds available for such programs in such manner as, either separately or jointly with the Commodity Credit Corporation, to exercise the rights, obtain the benefits, and fulfill all or any part of the obligations of the United States under the International Wheat Agreement or to preclude the Commodity Credit Corporation in otherwise carrying out wheat and wheat-flour export programs as authorized by law. Nothing contained herein shall limit the duty of the Commodity Credit Corporation to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in making available or causing to be made available wheat and wheat-flour hereunder. The pricing provisions of section 112 (e) of the Economic Cooperation Act of 1948 and section 4 of the Act of July 16, 1943 (57 Stat. 566), shall not be applicable to domestic wheat and wheat-flour supplied to countries which are parties to the International Wheat Agreement and credited to their guaranteed purchases thereunder on and after August 1, 1949, and up to and including June 30, 1950. Where prices in excess of the International Wheat Agreement prices have been paid for such wheat and wheat-flour financed by the Economic Cooperation Administration on or after August 1, 1949, and up to and including June 30, 1950, the Secretary of Agriculture or Commodity Credit Corporation is authorized to reimburse the Economic Cooperation Administration for such excess amounts. Funds realized from such reimbursement shall revert to the respective appropriation or appropriations from which funds were expended for the procurement of such wheat and wheat-flour. There are hereby authorized to be appropriated such sums as may be necessary to make payments to the Commodity Credit Corporation of its estimated or actual net costs of carrying out its functions hereunder. The Commodity Credit Corporation is hereby authorized in carrying out its functions hereunder to utilize, in advance of such appropriations or payments, any assets available to it.

* * * * *

Union Calendar No. 310

83^D CONGRESS
1ST SESSION

S. J. RES. 97

[Report No. 893]

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 1953

Referred to the Committee on Banking and Currency

JULY 21, 1953

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

JOINT RESOLUTION

To amend the International Wheat Agreement Act of 1949.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That section 2 of the International Wheat Agreement Act
4 of 1949 (63 Stat. 945) is amended by inserting before the
5 parenthesis at the end of the first sentence thereof the fol-
6 lowing: "and the agreement revising and renewing the Inter-
7 national Wheat Agreement for a period ending July 31,
8 1956, signed by Australia, Canada, France, the United
9 States, and certain wheat importing countries".

10 SEC. 2. Reference in any law to the International Wheat
11 Agreement of 1949 shall be deemed to include the agree-

1 ment revising and renewing the International Wheat
2 Agreement.

Passed the Senate July 13 (calendar day, July 6), 1953.

Attest: J. MARK TRICE,
Secretary.

Union Calendar No. 310

83d CONGRESS
1st Session

S. J. RES. 97

[Report No. 893]

JOINT RESOLUTION

To amend the International Wheat Agreement
Act of 1949.

JULY 14, 1953

Referred to the Committee on Banking and Currency

JULY 21, 1953

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

July 28

"The House Committee on Agriculture drew plans today to go into all the principal agricultural regions of the country to hear from farmers at the grass roots what kind of program for Agriculture they want when the present farm law dies at the end of 1954.

"The...group decided to hold hearings in New England and in the Pennsylvania-New Jersey vegetable producing area in August and then in early October strike out from Washington on a six-weeks study that will extend to the Pacific and from the Canadian border to Mexico.

"Rep. ...Hope...said 'we intend to study all phases of the program we now have and any new proposals that promise solutions for the many problems of agriculture...'

Rep. ...Hoeven...was named Chairman of a subcommittee to work out the exact route the committee will travel...and the places and dates...

The statement indicates that the study will include price supports, foreign-trade expansion, soil conservation, flood prevention, crop insurance, and farm credit.

13. ~~FORESTRY; FAMINE RELIEF; WHEAT AGREEMENT.~~ The Rules Committee reported resolutions for consideration of H. R. 5603, to authorize national banking associations to make loans on forest tracts; H. R. 6016, to make 600 commodities available to the President to meet famine or other urgent relief needs in friendly countries; and S. J. Res. 97, to implement the International Wheat Agreement Act (p. 10400).
14. FUR LOANS; FOREST SURVEY; ANIMAL DISEASES. The Agriculture Committee reported without amendment S. 1152, to extend for 5 years authority to make loans to fur farmers (H. Rept. 1013); S. 725, authorizing a survey of Alaska forest resources (H. Rept. 1012); and S. 2055, to authorize control and eradication of scrapie and blue-tongue in sheep and minor outbreaks of other animal disease which may result in larger outbreaks (H. Rept. 1014) (p. 10400).
15. APPROPRIATIONS. Received the conference report on H. R. 5969, the defense appropriation bill for 1954 (H. Rept. 1015) (pp. 10397-8).
16. TAXATION; PAYROLLING. The Rules Committee reported a resolution for consideration of H. R. 6413, to permit the Federal Government to withhold from employees' wages certain municipal taxes (p. 10400).
17. PENALTY MAIL. The Post Office and Civil Service Committee reported with amendment H. R. 6281, to abolish free transportation of official Government mail matter, etc. (H. Rept. 1004) (p. 10400).
18. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 4854, to authorize Foster Creek division irrigation works, Chief Joseph Dam (H. Rept. 1016) (p. 10400).
19. POSTAL RATES. The "Daily Digest" states (regarding H. R. 6052, the postal-rate increase bill) that Chairman Rees of the Post Office and Civil Service Committee "announced today that action on postal-rate readjustments has been suspended" (p. D795).
20. RUBBER. Agreed to the conference report on F. R. 5728, to authorize disposal of Government-owned rubber facilities (pp. 10334-7).
21. PROPERTY. Passed without amendment F. R. 6382, to extend until June 30, 1954 the period during which the GSA may conduct negotiated sales of surplus property (p. 10326).

22. IMMIGRATION. Passed with amendments H. R. 6481, to authorize entry of refugees, etc., into this country (pp. 10337-90).
23. CUSTOMS SIMPLIFICATION. Agreed to the Senate amendments to H. R. 5877, the customs-simplification bill (pp. 10395-6). This bill will now be sent to the President.
24. LAND TRANSFER. The Agriculture Committee ordered reported (but did not actually report) S. 2163, to authorize conveyance of certain land in the U. S. cotton field station near Statesville, N. C. The "Daily Digest" states that "This measure will be acted on in lieu of a similar House bill (H. R. 5888) which was passed yesterday, with a request made that said House proceedings be vacated." (p. D794).
25. LEGISLATIVE PROGRAM. The "Daily Digest" states that the House will act on the conference report on the defense department appropriation bill; and will probably also consider H. R. 6016, the famine-relief bill, and S. J. Res. 97, to implement the International Wheat Agreement (p. D794).

BILLS INTRODUCED

26. PROPERTY. H. R. 6574, by Rep. Bennett, Fla., and H. J. Res. 312, by Rep. Campbell, to amend section 203 (j) of the Federal Property and Administrative Services Act of 1949, as amended, to permit the disposal of surplus property to State health departments and to county mosquito control districts; to Committee on Government Operations (p. 10401).
27. VETERANS' BENEFITS. H. R. 6582, by Rep. Ayres, to liberalize the direct home loan program under title III of the Servicemen's Readjustment Act of 1944, as amended, in behalf of certain disabled veterans; to Veterans' Affairs Committee (p. 10401).
28. PERSONNEL. H. R. 6583, by Rep. Hagen, Minn., and H. R. 6589, by Rep. Patten, to establish a Federal Recreation Service in the Department of Health, Education, and Welfare; to Education and Labor Committee (p. 10401).
29. RETIREMENT. H. R. 6588, by Rep. Mack, Wash., to extend the Federal old-age and survivors insurance system to farmers and to broaden the coverage of such system in the case of agricultural laborers; to Ways and Means Committee (p. 10401).

ITEMS IN APPENDIX

30. FAMINE RELIEF. Sen. Langer inserted a statement by John Baker, National Farmers Union, before the S. Agriculture and Forestry Committee, in favor of the famine relief bill, and urging a careful study of the various plans put forward for use of surplus agricultural products (p. A4957).
31. ELECTRIFICATION. Rep. Angell inserted a debate appearing in the Sunday Portland Journal on the question of who should build the Hells Canyon Dam (pp. A4958-60).
Rep. Price inserted a Progressive article entitled "Eisenhower Betrays the TVA" (pp. A4969-70).
32. PROPERTY SEIZURE. Extension of remarks by Rep. Celler opposing S. J. Res. 3, proposing a constitutional amendment prohibiting the President from taking private property at any time other than in the manner prescribed by statute law (p. A4961).

CONSIDERATION OF SENATE JOINT RESOLUTION 97

JULY 28, 1953.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 360]

The Committee on Rules, having had under consideration House Resolution 360, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 132

83D CONGRESS
1ST SESSION

H. RES. 360

[Report No. 1008]

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 1953

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed.

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of S. J. Res. 97, to amend the Inter-
5 national Wheat Agreement Act of 1949. After general de-
6 bate, which shall be confined to the joint resolution, and shall
7 continue not to exceed one hour, to be equally divided and
8 controlled by the chairman and ranking minority member of
9 the Committee on Banking and Currency, the joint resolution
10 shall be read for amendment under the five-minute rule. At
11 the conclusion of the consideration of the joint resolution for
12 amendment, the Committee shall rise and report the joint

1 resolution to the House with such amendments as may have
2 been adopted, and the previous question shall be considered
3 as ordered on the joint resolution and amendments thereto
4 to final passage without intervening motion except one motion
5 to recommit.

House Calendar No. 132

83^d CONGRESS
1ST SESSION

H. RES. 360

[Report No. 1008]

RESOLUTION

Providing for the consideration of S. J. Res.
97, to amend the International Wheat Agree-
ment Act of 1949.

By Mr. ALLEN of Illinois

JULY 28, 1953

Referred to the House Calendar and ordered to be
printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 30, 1953
For actions of July 29, 1953
83rd-1st, No. 143

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HIGHLIGHTS: Senate passed foreign-aid appropriation bill. Senate passed immigration bill. House completed congressional action on drought-relief appropriation bill. House passed famine-relief bill. House completed congressional action on wheat-agreement bill. House Rules Committee cleared public-for-private timber-land exchange bill. House passed bill requiring payment for penalty mail. Rep. Marshall asked adequate farm program.

SENATE

1. FOREIGN-AID APPROPRIATION BILL, 1954. Passed, 69-10, with amendments this bill, H. R. 6391 (pp. 10490, 10492, 10549-50, 10652, 10657-95). Senate conferees were appointed (10695). An amendment by Sen. Maybank, barring funds for purchase of agricultural commodities at less than prevailing market price or, if obtained from CCC, at less than support price, was ruled out of order. Rejected various amendments to reduce the amounts.
2. IMMIGRATION. Passed, 63-30, with amendments H. R. 6421, to permit immigration of refugees, etc. (pp. 10496-513). Senate and House conferees were appointed (pp. 10512, 10622-3).
3. DEFENSE APPROPRIATION BILL, 1954. Both Houses agreed to the conference report on this bill, H. R. 5969 (pp. 10514-19, 10556-64). This bill will now be sent to the President.
4. LEGISLATIVE-JUDICIARY APPROPRIATION BILL, 1954. Passed with amendments this bill, H. R. 5805 (pp. 10543-9). The House concurred in the Senate amendments (pp. 10623-4). This bill will now be sent to the President.
5. SMALL BUSINESS. Agreed to the conference report on H. R. 5141, to create a Small

- Business Administration (p. 10520). This bill will now be sent to the President.
6. COMMITTEE ASSIGNMENT. Sen. Bricker was named Chairman of the Committee on Interstate and Foreign Commerce (p. D800).
 7. RUBBER. Rejected the conference report on H. R. 5728, to provide for sale of Government rubber-producing facilities. Conferees were appointed for a further conference. (pp. 10550-4.)
 8. TRANSPORTATION. Sen. Aiken inserted a resolution of the Agriculture and Forestry Committee requesting the Interstate Commerce Commission to defer its order on trip leasing until action on H. R. 3203 is completed (pp. 10478-9). Sen. Johnson, Colo., inserted an ICC statement on the effects of its order (p. 10696).
 9. DEBT LIMIT. Several Senators discussed the possibility of a request for legislation to increase the public-debt limit (pp. 10533-6).
 10. FAMILY-SIZE FARMS. Sen. Humphrey spoke in favor of maintaining family-size farms and expressed a doubt as to whether the Administration is working toward this end (pp. 10521-3).
 11. SURPLUS PROPERTY. The Government Operations Committee reported without amendment H. R. 6382, to extend until June 30, 1954, the period during which GSA may conduct negotiated sales of surplus property (S. Rept. 711)(p. 10479).
 12. FOOD INSPECTION. The Labor and Public Welfare Committee reported with amendment H. R. 5740, to restore Food and Drug Administration authority for factory inspection (S. Rept. 712)(p. 10479).
 13. EDUCATION. The Labor and Public Welfare Committee reported with amendment H. R. 6049 and 6078, authorizing continued aid for school districts in federally affected areas (S. Repts. 713, 714)(p. 10479).
 14. WATER CONSERVATION. Sen. Johnson, Tex., asked for enactment of a water-conservation program for Texas (pp. 10491-2).
 15. ELECTRIFICATION. Sen. Lehman inserted his testimony favoring public development of Niagara power (pp. 10492-5).
 16. LEGISLATIVE PROGRAM. H. R. 6200, the supplemental appropriation bill, was made the unfinished business (p. 10695). Sen. Knowland announced that the calendar will be called Thurs. and Fri. (pp. 10688-9).

HOUSE

17. WHEAT AGREEMENT. Passed without amendment S. J. Res. 97, to implement the new International Wheat Agreement (pp. 10624-5, 10629). This measure will now be sent to the President.
18. RECLAMATION. The Rules Committee reported a resolution for consideration of H. R. 5731, authorizing the Santa Margarita project, Calif. (p. 10634).
19. PRICE DISCRIMINATION. Rep. Patman inserted his statement before a Judiciary subcommittee favoring his bill, H. R. 5848, prohibiting price ~~discriminations~~ in interstate commodity sales which would substantially injure competition (pp. 10625-9).
20. FOUNDATIONS INVESTIGATION. Rep. Philbin spoke favoring H. Res. 217, providing for investigation of certain foundations (pp. 10573-4).

ing conferees: Mr. GRAHAM, Miss THOMPSON of Michigan, Mr. HILLINGS, Mr. CELLER, and Mr. WALTER.
There was no objection.

LEGISLATIVE BRANCH AND THE JUDICIARY APPROPRIATION BILL, 1954

Mr. HORAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5805) making appropriations for the legislative branch and the judiciary branch for the fiscal year ending June 30, 1954, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.
The Clerk read the Senate amendments, as follows:

Page 2, after line 1, insert:

"SENATE"

Page 2, after line 1, insert:

"SALARIES AND EXPENSE ALLOWANCE OF SENATORS, MILEAGE OF THE PRESIDENT OF THE SENATE AND OF SENATORS, AND SALARY AND EXPENSE ALLOWANCE OF THE VICE PRESIDENT"

Page 2, after line 1, insert:

"For compensation of Senators, \$1,200,000."

Page 2, after line 1, insert:

"For expense allowance of Senators, \$240,000."

Page 2, after line 1, insert:

"For mileage of the President of the Senate and of Senators, \$51,000."

Page 2, after line 1, insert:

"For the compensation of the Vice President of the United States, \$30,000."

Page 2, after line 1, insert:

"For expense allowance of the Vice President, \$10,000."

Page 2, after line 1, insert:

"SALARIES, OFFICERS AND EMPLOYEES"

"For compensation of officers, employees, clerks to Senators, and others as authorized by law, as follows:"

Page 2, after line 1, insert:

"OFFICE OF THE VICE PRESIDENT"

"For clerical assistance to the Vice President, at rates of compensation to be fixed by him in multiples of \$5 per month, \$55,410."

Page 2, after line 1, insert:

"CHAPLAIN"

"Chaplain of the Senate, \$2,946."

Page 2, after line 1, insert:

"OFFICE OF THE SECRETARY"

"For office of the Secretary, \$442,552, including one camera and sound engineer, Joint Recording Facility, at the basic rate of \$4,080 per annum, and one shipping clerk, Joint Recording Facility, at the basic rate of \$1,500 per annum, as authorized by Public Law 11, Eighty-third Congress, and including an Assistant to the Minority at the basic rate of \$8,000 per annum at the option of the Minority Policy Committee."

Page 2, after line 1, insert:

"COMMITTEE EMPLOYEES"

"For professional and clerical assistance to standing committees, and the Select Committee on Small Business, \$1,737,045."

Page 2, after line 1, insert:

"CONFERENCE COMMITTEES"

Page 2, after line 1, insert:

"For clerical assistance to the Conference of the Majority, at rates of compensation to be fixed by the chairman of said committee, \$33,310."

Page 2, after line 1, insert:

"For clerical assistance to the Conference of the Minority, at rates of compensation to

be fixed by the chairman of said committee, \$33,310."

On page 2, after line 1, insert:

"ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS"

"For administrative and clerical assistants and messenger service for Senators, \$6,207,625, including additional clerical assistants for each Senator from the States of Florida and New Jersey, as authorized by Public Law 11, Eighty-third Congress: *Provided*, That beginning July 1, 1953, in addition to any other clerical assistance authorized by law, each Senator from any State which has a population of less than three million shall be entitled to one assistant clerk at not to exceed \$2,700 basic per annum; each Senator from any State which has a population of three million or more but less than five million shall be entitled to two assistant clerks at not to exceed \$2,700 basic per annum each; and each Senator from any State which has a population of five million or more shall be entitled to three assistant clerks at not to exceed \$2,700 basic per annum each."

Page 2, after line 1, insert:

"OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER"

"For office of the Sergeant at Arms and Doorkeeper, \$1,250,520, including one additional cabinetmaker at the basic annual rate of \$2,460: *Provided*, That the basic annual rate of compensation of the following position shall be: Procurement Officer, Auditor, and Deputy Sergeant at Arms, \$6,480, in lieu of a Deputy Sergeant at Arms and Storekeeper, \$6,300."

Page 2, after line 1, insert:

"OFFICES OF THE SECRETARIES FOR THE MAJORITY AND THE MINORITY"

"For the offices of the secretary for the majority and the secretary for the minority, \$62,165."

Page 2, after line 1, insert:

"CONTINGENT EXPENSES OF THE SENATE"

Page 2, after line 1, insert:

"Legislative reorganization: For salaries and expenses, legislative reorganization, including the objects specified in Public Law 663, Seventy-ninth Congress, \$100,000."

Page 2, after line 1, insert:

"Senate policy committees: For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, \$64,670 for each such committee; in all, \$129,340."

Page 2, after line 1, insert:

"Joint Committee on the Economic Report: For salaries and expenses of the Joint Committee on the Economic Report, \$133,275, including compensation for stenographic assistance at such rates and in accordance with such regulations as may be prescribed by the Committee on Rules and Administration notwithstanding the provisions of Public Law 304, Seventy-ninth Congress."

Page 2, after line 1, insert:

"Joint Committee on Atomic Energy: For salaries and expenses of the Joint Committee on Atomic Energy, including the objects specified in Public Law 20, Eightieth Congress, \$188,060, and including compensation for stenographic assistance at such rates and in accordance with such regulations as may be prescribed by the Committee on Rules and Administration notwithstanding the provisions of Public Law 585, Seventy-ninth Congress."

Page 2, after line 1, insert:

"Joint Committee on Printing: For salaries for the Joint Committee on Printing at rates to be fixed by the committee, \$39,585; for expenses of compiling, preparing, and indexing the Congressional Directory, \$1,600; for compiling, preparing, and indexing material for the biographical directory, \$1,900, said sum, or any part thereof, in the discretion of the chairman or vice chairman of the Joint Committee on Printing, may be paid

as additional compensation to any employee of the United States; and for travel and subsistence expenses at rates provided by law for Senate committees, \$4,500; in all, \$47,585."

Page 2, after line 1, insert:

"Vice President's automobile: For purchase, exchange, driving, maintenance, and operation of an automobile for the Vice President, \$5,835."

Page 2, after line 1, insert:

"Automobile for the President pro tempore: For purchase, exchange, driving, maintenance, and operation of an automobile for the President pro tempore of the Senate, \$5,835."

Page 2, after line 1, insert:

"Automobiles for majority and minority leaders: For purchase, exchange, driving, maintenance, and operation of two automobiles, one for the majority leader of the Senate, and one for the minority leader of the Senate, \$11,670."

Page 2, after line 1, insert:

"Reporting Senate proceedings: For reporting the debates and proceedings of the Senate, payable in equal monthly installments, \$135,785."

Page 2, after line 1, insert:

"Furniture: For services in cleaning, repairing, and varnishing furniture, \$3,190."

Page 2, after line 1, insert:

"Furniture: For materials for furniture and repairs of same, and for the purchase of furniture, \$19,000: *Provided*, That the furniture is not available from other agencies of the Government."

Page 2, after line 1, insert:

"Inquiries and investigations: For expenses of inquiries and investigations ordered by the Senate or conducted pursuant to section 134 (a) of Public Law 601, Seventy-ninth Congress, including compensation for stenographic assistance of committees at such rates and in accordance with such regulations as may be prescribed by the Committee on Rules and Administration notwithstanding the provisions of section 134 (a) of Public Law 601, Seventy-ninth Congress; and including \$400,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, and Public Law 20, 80th Congress, \$1,224,120: *Provided*, That no part of this appropriation shall be expended for per diem and subsistence expenses (as defined in the Travel Expense Act of 1949) at rates in excess of \$9 per day except that higher rates may be established by the Committee on Rules and Administration in the case of travel beyond the limits of the continental United States."

Page 2, after line 1, insert:

"Folding documents: For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding \$1.50 per hour per person, \$27,000."

Page 2, after line 1, insert:

"Materials for folding: For materials for folding, \$1,500."

Page 2, after line 1, insert:

"Fuel, and so forth: For fuel, oil, cotton waste, and advertising, exclusive of labor, \$2,000."

Page 2, after line 1, insert:

"Senate restaurants: For repairs, improvements, equipment, and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Building, including personal and other services, to be expended under the supervision of the Committee on Rules and Administration, United States Senate, \$65,000."

Page 2, after line 1, insert:

"Motor vehicles: For maintaining, exchanging, and equipping motor vehicles for carrying the mails and for official use of the offices of the Secretary and Sergeant at Arms, \$9,560."

Page 2, after line 1, insert:

"Miscellaneous items: For miscellaneous items, exclusive of labor, \$869,537."

Page 2, after line 1, insert:

"Packing boxes: For packing boxes, \$3,000."

Page 2, after line 1, insert:

"Postage stamps: For office of Secretary, \$500; office of Sergeant at Arms, \$225; offices of the secretaries for the majority and the minority, \$100; in all, \$825."

Page 2, after line 1, insert:

"Airmail and special-delivery stamps: For airmail and special-delivery stamps for Senators and the President of the Senate, as authorized by law, \$12,815."

Page 2, after line 1, insert:

"Stationery: For stationery for Senators and for the President of the Senate, including \$10,000 for stationery for committees and officers of the Senate, \$126,400: *Provided*, That commencing with the fiscal year 1954 the allowance for stationery for each Senator and for the President of the Senate shall be at the rate of \$1,200 per annum."

Page 2, after line 1, insert:

"Communications: For an amount for communications which may be expended interchangeably for payment, in accordance with such limitations and restrictions as may be prescribed by the Committee on Rules and Administration, of charges on official telegrams and long distance telephone calls made by or on behalf of Senators or the President of the Senate, such telephone calls to be in addition to those authorized by the provisions of the Legislative Branch Appropriation Act, 1947 (60 Stat. 392; 2 U. S. C. 46c, 46d, 46e), the First Deficiency Appropriation Act, 1949 (63 Stat. 77; 2 U. S. C. 46d-1), and Second Supplemental Appropriation Act, 1952, Public Law 254, Eighty-second Congress, \$14,550."

Page 2, after line 1, insert:

"The Sergeant at Arms is authorized and directed to secure suitable office space in post office or other Federal buildings in the State of each Senator for the use of such Senator and in the city to be designated by him: *Provided*, That in the event suitable space is not available in such buildings and a Senator leases or rents office space elsewhere, the Sergeant at Arms is authorized to approve for payment, from the contingent fund of the Senate, vouchers covering bona fide statements of rentals due in an amount not exceeding \$900 per annum for each Senator."

Page 2, after line 1, insert:

"The Secretary of the Senate and the Sergeant at Arms are authorized and directed to protect the funds of their respective offices by purchasing insurance in an amount necessary to protect said funds against loss. Premiums on such insurance shall be paid out of the contingent fund of the Senate, upon vouchers approved by the chairman of the Committee on Rules and Administration."

Page 2, after line 1, insert:

"Salaries or wages paid out of the foregoing items under 'Contingent expenses of the Senate' shall be computed at basic rates, plus increased and additional compensation, as authorized and provided by law."

Page 2, after line 1, insert:

"Effective July 1, 1953, Public Law 479, Seventy-ninth Congress, under the heading 'CONTINGENT EXPENSES OF THE SENATE', the last paragraph beginning on page 7 is amended by striking out the amount '\$450' and inserting in lieu thereof '\$650'."

Page 2, after line 1, insert:

"Effective July 1, 1953, Public Law 479, Seventy-ninth Congress, as amended by the first paragraph of chapter I, Public Law 254, Eighty-second Congress, hereby is further amended by striking out the word 'sixty' and inserting in lieu thereof 'ninety', and by striking out the words 'three hundred' and inserting in lieu thereof 'four hundred and fifty'."

Page 2, after line 1, insert:

"There is hereby created a committee consisting of six Senators, two from the Committee on Appropriations, two from the Committee on Post Office and Civil Service, and two from the Committee on Rules and Administration to be appointed by the respective chairmen of said committees. It shall be the duty of said committee to study the rates of compensation now being paid officers and employees of the Senate, including employees of the Senate Office Building under the Architect of the Capitol, but excluding administrative and clerical assistants to Senators and committee employees, to determine whether such rates of compensation bear the proper relationship to each other and whether they are in line with rates now paid by the other branch of Congress, and report to the Senate at the beginning of the second session of the Eighty-third Congress, what adjustments, if any, should be made."

Page 2, line 18, strike out "2" and insert "23."

Page 2, line 18, after "Code" insert: ", but amounts expended by such Member within each taxable year for living expenses shall not be deductible for income tax purposes in excess of \$3,000."

Page 13, after line 7, insert:

"JOINT COMMITTEE ON REDUCTION OF NON-ESSENTIAL FEDERAL EXPENDITURES"

"For an amount to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, \$20,000, to be disbursed by the Secretary of the Senate."

Page 14, line 13, strike out "Architect" and insert "Architectural."

Page 15, line 10, strike out "\$679,400" and insert "\$745,600."

Page 15, after line 25, insert:

"Subway transportation, Capitol and Senate Office Buildings: For maintenance, repairs, and rebuilding of the subway transportation system connecting the Senate Office Building with the Capitol, including personal and other services, \$3,500."

Page 15, after line 25, insert:

"Senate Office Building: For maintenance miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel and for personal and other services; including five female attendants in charge of ladies' retiring rooms at \$1,800 each, for the care and operation of the Senate Office Building; to be expended under the control and supervision of the Architect of the Capitol; in all, \$779,600."

Page 15, after line 25, insert:

"PRELIMINARY PLANS AND ESTIMATES, ADDITIONAL SENATE OFFICE BUILDING"

"Not to exceed \$20,000 of the unexpended balance of the appropriation of \$850,000 provided in the Second Deficiency Appropriation Act, 1948, for construction and equipment of an additional office building for the United States Senate, is hereby made available for expenditure for the preparation of additional preliminary plans and estimates of cost for an additional office building for the use of the United States Senate, designed primarily to provide additional office accommodations, such expenditure to be made by the Architect of the Capitol under the direction and supervision of the Senate Office Building Commission created by the Sundry Civil Appropriation Act of April 28, 1904 (33 Stat. 481), as amended by the act of July 11, 1947 (61 Stat. 307), the membership of which is hereby increased from 5 to 7 members, such additional members to be appointed by the President of the Senate."

Page 16, after line 22, insert:

"Senate restaurants: For repairs, improvements, furnishings, equipment, labor and materials, and all necessary incidental expenses, to provide additional accommodations for the Senate restaurants, Senate Office Building, \$4,250, to be expended by the Architect of the Capitol under the supervision of the Senate Committee on Rules and Administration, without regard to section 3709 of the Revised Statutes, as amended."

Page 18, line 14, strike out "\$4,750,000" and insert "\$4,810,272."

Page 18, line 22, strike out "\$866,300" and insert "\$901,721."

Page 19, line 3, after "Congress", insert "unless such publication has obtained prior approval of either the Committee on House Administration or the Senate Committee on Rules and Administration."

Page 19, line 7, strike out "\$1,225,000" and insert "\$1,264,800."

Page 20, after line 22, insert:

"Appropriations in this Act available to the Library of Congress shall be available, in an amount not to exceed \$10,000, when specifically authorized by the Librarian, for expenses of attendance at meetings concerned with the function or activity for which the appropriation is made."

Page 23, line 15, strike out "Any" and insert "Hereafter any."

Page 33, strike out all after line 20, over to and including line 3 on page 34.

Page 34, line 4, strike out "303" and insert "302."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider was laid on the table.

AMENDING THE INTERNATIONAL WHEAT AGREEMENT ACT OF 1949

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (S. J. Res. 97) to amend the International Wheat Agreement Act of 1949.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. SPENCE. Reserving the right to object, Mr. Speaker, and I shall not object, I think this bill is a very meritorious bill. It provides for the sale and orderly distribution of wheat to the various countries of the world. There are certain countries that have entered into the agreement to export wheat, those countries being the United States, France, Canada, and Australia, at an excellent price, \$2.05. There are 43 countries that have agreed to purchase wheat at a minimum price of \$1.55. The price generally may be set by agreement in the area of bargaining between the maximum and minimum prices.

This will perform a great function in distributing wheat, the fundamental food of mankind, through many of the nations of the earth. It is not a giveaway program. It is a program that permits them to purchase at these stipulated prices and to assure them that they can always find sufficient food if they have the wherewithal to purchase it. I commend this to the House. It is a meritorious bill.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I think the gentleman from Kentucky has covered the situation quite thoroughly and understandably. All I would add is that this effectuates the wheat agreement which is entered into and carries on this current wheat agreement in a manner similar to the way the 1949 agreement was carried on, with some slight difference in price. Under the existing agreement, the maximum price of wheat is \$1.80 a bushel and the minimum is \$1.20. Under the proposed agreement the maximum will be \$2.05 and the minimum will be \$1.05.

Mr. SPENCE. Mr. Speaker, I think there is another element involved. I think in a sense our national honor is involved because we have entered into a solemn agreement and it is our duty to carry it out.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

PRELIMINARY HEARING ON H. R. 5848 TO AMEND
ROBINSON-PATMAN ACT

Mr. PATMAN. Mr. Speaker, I am inserting herewith a copy of my testimony before the subcommittee No. 3.

It is as follows:

TESTIMONY OF HON. WRIGHT PATMAN, MEMBER
OF CONGRESS, BEFORE SUBCOMMITTEE NO. 3
OF THE COMMITTEE ON THE JUDICIARY, HOUSE
OF REPRESENTATIVES, JULY 29, 1953, AT 9:30
A. M., IN BEHALF OF H. R. 5848

(Subcommittee No. 3 is composed of Hon. KENNETH B. KEATING, New York, chairman; Hon. SHEPARD J. CRUMPACKER, Indiana; Hon. DEAN P. TAYLOR, New York; Hon. EDWIN E. WELLS, Louisiana; Hon. HAROLD D. DONOHUE, Massachusetts, and Hon. SIDNEY A. FINE, New York.)

(The other members of the Committee on the Judiciary of the House of Representatives not named in this subcommittee are: Representatives REED, Illinois, chairman; GRAHAM, Pennsylvania; CASE, New Jersey; McCULLOCH, Ohio; JONAS, Illinois; MISS THOMPSON, Michigan; HILLINGS, California; MILLER, New York; BURDICK, North Dakota; MEADER, Michigan; CURTIS, Massachusetts; ROBSON, Kentucky; HYDE, Maryland; CELLER, New York; WALTER, Pennsylvania; LANE, Massachusetts; FEIGHAN, Ohio; CHELF, Kentucky; WILSON, Texas; FRAZIER, Tennessee; RODINO, New Jersey; JONES, North Carolina; FORRESTER, Georgia; and ROGERS, Colorado.)

Mr. Chairman, I am very grateful for this opportunity extended me by your distinguished subcommittee to appear before it today more fully to explain the purpose of H. R. 5848, introduced by me on June 19, 1953.

The subject matter dealt with in H. R. 5848 is the antitrust laws—particularly section 2 (b) of the Robinson-Patman Act—prohibiting those price discriminations in the sales of commodities in interstate commerce, which have the effect of substantially injuring competition in such commerce.

The purpose of my bill is quite simple, namely, the restoration and preservation of the true meaning of the Robinson-Patman Act as Congress originally intended. In all major respects, it has withstood the test of litigation and the test of public acceptance. It is universally acclaimed as the magna carta of independent business. In the course of the establishment of its meaning by court decisions, however, diverse reasonings have been applied by judges, by

lawyers, and by economists in the past few years, which have led to some confusion. It should not have happened, but it did.

For example, many businessmen have been led to believe that, as sellers, they could not absorb freight in the establishing of their price in the various markets of the country. There is no such prohibition against an individual seller, in the absence of collusion, if his price is the same to all competing customers in that market. Again, many of our people have been led to believe that an individual seller cannot sell in the various markets in the land at delivered prices and thus meet their competition there as they find it. This is not true in the absence of collusion or intent to establish a monopoly. The Supreme Court has made this clear. The old Federal Trade Commission in a statement of policy made it clear; the new Federal Trade Commission in a statement of policy has made it clear. There is no need of legislation to make it clearer unless the Congress wishes to restate what is already the law.

There is one area, however, where there is some difference of opinion and much confusion and that is where a seller having made a price, either a delivered price or a price involving absorption of freight for a given market for his goods, departs from the established price for all in that market by giving a lower price to a favored customer. It was the intent of the Robinson-Patman Act as originally enacted that this would be permissible if the seller could show that the lower price was made to the favored customer in good faith to meet an equally low lawful price of a competitor. The original law intended that this exception would be a good defense, provided it did not substantially injure competition. I would like to reiterate that this was the purpose and intent of Congress.

The late Judge Utterback, then a member of the Judiciary Committee of the House in charge of the bill on June 15, 1936, when it was up for passage, stated among other things with respect to this exception that:

"In connection with the above rule as to burden of proof, it is also provided that a seller may show that his lower price was made in good faith to meet an equally low price of a competitor, or that his furnishing of services or facilities was made in good faith to meet those furnished by a competitor. [It is to be noted, however, that this does not set up the meeting of competition as an absolute bar to a charge of discrimination under the bill.]

"* * * If this proviso were construed to permit the showing of a competing offer as an absolute bar to liability for discriminations [then it would nullify the act] entirely at the very inception of its enforcement [for in nearly every case mass buyers receive similar discriminations from competing sellers of the same product]. [Matter in brackets is added.]

The Supreme Court of the United States in the Standard Oil of Indiana (340 U. S. 231) decision, by a bare majority, ruled that if the lower price to a favored buyer was made in good faith to meet an equally low, lawful price offered by a competitor, the seller granting the discriminatory price had an absolute defense—an absolute bar to liability, using Judge Utterback's words—even though that discriminatory price would substantially injure or even destroy the competition of competitors of the favored buyer in that market. My bill simply proposes to reestablish the original intent and purpose of a practically unanimous Congress.

In the last proviso of my bill I have reasserted what is the present law, namely, that an individual seller may absorb freight and he may sell at delivered prices without ques-

tion if his price is equally available to all competing customers. That proviso is intended merely to clear up statements made to the contrary either in ignorance or by design, but I wish to emphasize that the heart of my bill, H. R. 5848, is to restore the original intent and purpose of Congress, namely, that a seller is privileged in good faith to meet an equally low lawful price of a competitor, provided, of course, that the discrimination would not substantially injure or destroy competition in the market.

I would like to make this simple elemental observation: The cornerstone of our anti-trust laws is to preserve fair competition. It is inconceivable to me that any man could advocate an exception or an exemption or a device which would permit the destruction of the very competition that the law primarily intends to preserve. There are those who say that this limitation on using a discriminatory price to meet an equally low price of a competitor would prevent anyone from using it, since every price discrimination is presumed to affect competition. This statement of presumption is inadequate—it completely ignores the statutory limiting word "substantially." There is no substantial injury to competition if the seller confronted by a competitor trying to raid his market meets the equally low price until he can adjust his price policy to the new situation. Isolated discriminations in price between competitors which occur from time to time in a changing price market or which occur from time to time when a seller's market is being raided are normal incidences of true, rugged competition. Even in the face of all of the confusion of thinking, a seller and his favored buyer know better than we do when the discrimination is substantially injuring the competition of the unfavored buyers.

The Robinson-Patman Act prohibition against discrimination which tends to substantially injure competition was directed at the continual and persistent granting of a discriminatory low price, month in month out, year in year out, to one or more big buyers. This is not theoretical. Those of us who were in the Congress in 1933, 1934, 1935, and 1936 must surely remember that the big buyer with coercive power always had continually and persistently the low price from the seller and the great mass of independents everywhere had a higher price from the same seller for the same goods. As Judge Utterback said to the Congress, "In nearly every case mass buyers receive similar discriminations from competing sellers of the same product." And as he said further, "If this proviso were construed to permit the showing of a competing offer as an absolute bar to liability for discrimination, then it would nullify the act entirely at the very inception of its enforcement." It is elemental that if a single avenue of price discrimination which substantially injures competition is nonetheless made legal, all discriminations will pass that way and we will be right back where we were before the Robinson-Patman Act was passed. The favored buyer will have a low price and independents, big and little, will have a higher price at the start of their function in competition—equality of opportunity will have vanished. This matter is of great importance to every independent manufacturer and distributor in every corner of every district of every Congressman.

Since the Supreme Court decision in the Standard Oil case makes it lawful for a seller to discriminate in price in order to meet an equally low price, this ugly specter of a two-price level is again showing its head. Is there anyone who can justify the big powerful distributor with coercive power obtaining the same goods from the same seller at a lower price than the thousands and thousands of competitors big and little.

I repeat again, once the two-price level is established, meeting an equally low price

will not be the exception but will be the day-to-day rule. Continual and persistent price discrimination made to favored sellers must be stopped again if independent enterprise is to survive in this country. As I have said many times, the simple test, the only test of the justification of price discrimination, is whether or not the discrimination results in substantial injury to competition. I am sure the Congress is not ready to reverse its position on this. I am equally sure that independent businesses, big and little, will not stand for it. It took our people nearly half a century to write into statutory law this rule of fair play in competition.

Our people are slow to be aroused but I venture my life on it that if this rule is not restored and preserved, the American people—Independents big and little everywhere—will be moved to action as they were in the early thirties. There can be no justification for a second-class citizenship among our businessmen—one class of the big and powerful being permitted to start the game of competition at one price and the rest of our businessmen, big and little, forced to bear the handicaps of a higher price for the same goods from the same seller.

Now, I will explain why my bill, H. R. 5848, uses the words "that the effect of discrimination unfairly or substantially impairs the equality of opportunity of the sellers' purchasers who do not receive the discrimination to compete with the purchaser or purchasers who do receive the discrimination." It is my purpose and intent in this bill to have these words mean the same as "may be substantially to lessen competition or tend to create a monopoly, etc." The words I have used in my bill have a very significant meaning deep in the heart of every American. Every boy and girl from the cradle grows up with the conception laid down by our Founding Fathers that this is a land of equal opportunity. Our society has struggled from day to day and from year to year since the days of the first settlers to perfect our way of life and perfect the standards of equal opportunity for all. Equal opportunity is the core as well as the watchword of the American way of life. Our Founding Fathers wrote the ideal into the Declaration of Independence, the Constitution, and the Bill of Rights and all other founding documents. It is believed that the test phrase in this language will have crystal-clear meaning to those who are now engaged in trade and struggling for survival and also to the newcomer who looks forward to a career in trade with hope. The language is not new—our people thought, and the Supreme Court said, that the basic purpose of the antitrust laws prohibiting such price discriminations is to secure equality of opportunity of all persons to compete in trade or business.

The opinions delivered by Mr. Justice McReynolds in two unanimous decisions of the Supreme Court, serve to demonstrate—specifically and clearly established beyond dispute—that the purpose of the Sherman Act of 1890 was to secure equality of opportunity to compete. Thus, in *Ramsay Co. v. Bill Posters Ass'n* (260 U. S. 501, 512 (1923)), Mr. Justice McReynolds stated:

"The fundamental purpose of the Sherman Act was to secure equality of opportunity and to protect the public against evils commonly incident to destruction of competition through monopolies and combinations in restraint of trade."

And, in *U. S. v. American Oil Co.* (262 U. S. 371, 388 (1923)), Mr. Justice McReynolds stated:

"The Sherman Act was intended to secure equality of opportunity and to protect the public against evils commonly incident to monopolies and those abnormal contracts and combinations which tend directly to suppress the conflict for advantage called competition—the play of the contending

forces ordinarily engendered by an honest desire for gain."

The opinions in two other unanimous decisions of the Supreme Court show that the right to compete is limited to the end of equality of opportunity of all to compete. Thus, in *Standard Sanitary Mfg. Co. v. U. S.* (226 U. S. 20, 49 (1912)), Mr. Justice McKenna stated:

"The Sherman law is a limitation of rights, rights which may be pushed to evil consequences and therefore restrained."

And, in *United States v. Colgate & Co.* (250 U. S. 300, 307 (1919)), Mr. Justice McReynolds stated:

"The purpose of the Sherman Act is to prohibit monopolies, contracts, and combinations which probably would unduly interfere with the free exercise of their rights by those engaged, or who wish to engage, in trade and commerce—in a word to preserve the right of freedom to trade."

It is clear that prior to the Sherman Act of 1890, Congress recognized that price discriminations in favor of one or a few purchasers destroyed the opportunity of the unfavored, competing purchasers to continue competition, and that that extent destroyed competition. Thus, discrimination in prices of transportation services had grown to such evil proportions that in 1887, 3 years before the Sherman Act, Congress passed the Interstate Commerce Act which absolutely prohibited a seller (common carrier) of transportation service from discriminating in price (rates) to its purchasers (shippers). The Supreme Court has repeatedly held that the purpose of prohibiting common carriers from granting special rates, rebates, etc., is to enforce equality between shippers (i. e. purchasers) over the same line, the same distance under the same circumstances of carriage. Cf. 49 U. S. C. A. section 2, note 2. The consequence of destruction of opportunity of unfavored purchasers to compete with favored purchasers was recognized by the Supreme Court in the Sherman Act case of *Standard Oil Co. v. U. S.* (221 U. S. 1, 32-33 (1911)). The record in that case showed that during the years 1870-1882, the oil monopolists known as the Standard Oil Trust, which had achieved 90 percent control of the oil industry of America, had purchased transportation service at such great differentials not available to competing oil companies, that said competing oil companies had no alternatives but to join or sell out to the monopoly, or go into bankruptcy. And, such injury to competition was graphically portrayed in the more recent case of *U. S. v. New York Great A. & P. Tea Co.* (67 F. Supp. 626 (1946)), affirmed by the 7th U. S. C. C. A. (173 Fed. 2nd 79 (1949)), wherein A. & P. were convicted of violations of the Sherman Act (A. & P. did not appeal the case to the Supreme Court). In this case, the trial judge reviewed in some 13 pages of his opinion, a number of the discriminatory price concessions, naming a number of sellers, the allowances, discounts, etc., received by A. & P. from such sellers over a period of years (67 F. Supp. 645-658), and made the following realistic, down-to-earth observation on the evil consequences thereof (quoted from p. 6773):

"It is clear from this record that retail distributors of food products in the United States are engaged in a close contest. Profit margins are slight. The difference between profitable operation and loss is fractional in character; between success and failure, astonishingly small. There is constant incessant struggle for advantages. In such a situation, where margins between profit and loss are so small, any dealer engaged in the contest, having secured an unfair advantage over his competitors, however small it may be, will be likely to upset or reverse a small percentage of profit in his competitor and convert it into a loss. When the net profit is in the neighborhood of 2 percent, an

advantage of 5 percent in buying in 1 dealer immediately places him in an overpowering position so far as his competitors are concerned. So if any element of A. & P.'s profits in competition with others arises from an illegal factor or an illegal function, even though the percentage resulting from the use of that factor or that function is small, it may be sufficient to change a competitor's profit into losses. [Such a result, of course, is interference with open competition; undue restraint of trade.] [Matter in brackets added.]

The trial judge had before him in that case (Government Exhibit 11) the list of some 300 manufacturers, processors, canners, refiners, etc., showing the amounts of the price discriminations (ranging from 5 to 20 percent, or more or less dollars-and-cents-wise) which they gave A. & P. prior to July 1935.

Equality of opportunity of independent merchants in business, therefore, was the purpose of Congress, the keynote of the Robinson-Patman bill in 1936, as is shown by House Report No. 2287 (74th Cong., 2d sess.), page 3 (on H. R. 8442), reading as follows:

"The purpose of this proposed legislation is to restore so far as possible equality of opportunity in business by strengthening the antitrust laws and by protecting trade and commerce against unfair trade practices and unlawful price discrimination. * * *

"Your committee is of the opinion that the evidence is overwhelming that [price discrimination practices exist to such an extent that the survival of independent merchants, manufacturers, and other businessmen is seriously imperiled and that remedial legislation is necessary]. [Matter in brackets added.]

At the time the Robinson-Patman bill was under consideration in the House, Hon. Hatton W. Sumners, chairman of the House Judiciary Committee, said from the floor of the House (80 CONGRESSIONAL RECORD, pp. 8109-8110):

"This bill proposes, and its purpose is definite, to try to give to the little man in business and industries a better opportunity to survive than he now has. No student of our system of government can fail to recognize that we have a definite choice. [We cannot preserve a democracy in government unless we preserve a democracy in opportunity]. [Matter in brackets added.]

Mr. Justice Reed stated for himself, for Chief Justice Vinson and for Justice Black in the dissenting opinion in the *Standard Oil of Indiana* case (340 U. S. 231, 254), regarding the purpose of the Robinson-Patman Act:

"Congress obviously concluded that the greater advantage [to competition] would accrue by fostering [equal access to supplies by competing merchants] or other purchasers in the course of business." [Matter in brackets added.]

Now, Mr. Chairman, I repeat, the purpose of my bill, H. R. 5848, is to secure affirmation by the Congress of this basic purpose and meaning of the antitrust laws prohibiting price discriminations. This would be accomplished by the declaration of purpose and policy set forth in section 1 of the bill. The remaining section of the bill, section 2, would amend section 2 (b) of the Clayton Act as amended by the Robinson-Patman Act to make it clear that the circumstances that a seller granted discriminations but did so in good faith to meet his own competition, is subordinate at all times to the basic purpose of that act to secure equality of opportunity of all persons to compete, for purposes of determining whether such seller is liable for violation of the law.

The need for enactment of H. R. 5848 has become imperative. There are already pending before your committee four other bills dealing with the same subject matter; namely, H. R. 635, H. R. 3501, H. R. 4170, and H. R.

counts to suit their fancy. History proves this.

JOHN W. DARGAVEL,
Executive Secretary, National Association of Retail Druggists.

WASHINGTON, D. C., July 29, 1953.

Please permit us to commend you for continued efforts for the welfare of independent and small business, and especially on your scheduled appearance before the House Judiciary Subcommittee in the interest of a strong and effective Robinson-Patman Act in these days of intensifying competition. Price and other discriminations in favor of the big buyer can be disastrous to small business.

UNITED STATES WHOLESALE
GROCERS' ASSOCIATION.

WASHINGTON, D. C., July 29, 1953.

We want to reemphasize the importance our industry attaches to the preservation of the original intent and principles of the Robinson-Patman Act, and our opposition to legislation which, under the guise of clarifying amendments, may seriously weaken, if not destroy, the effectiveness of the act.

C. M. McMILLAN,
Executive Secretary, National Candy Wholesalers Association, Inc.

CHICAGO, ILL., July 29, 1953.

Understand you will appear before House Judiciary Subcommittee to support your bill, H. R. 5848 strengthening Robinson-Patman Act. Please inform committee that Independent Retail Grocers represented by National Association of Retail Grocers are seriously alarmed by numerous bills introduced to weaken prohibitions against price discriminations. We find act is now weaker than it has ever been in its 17-year history. Situation is very serious. Legislation strengthening act urgently needed to protect free competitive economy.

R. M. KIEFER,
Secretary-Manager, National Association of Retail Grocers.

WASHINGTON, D. C., July 29, 1953.

Small business and all business is heartened by your vigil in watching out for their best interests in seeking to maintain the continued protection of Robinson-Patman Act. We applaud your representation in hearings today.

PAUL H. BOLTON,
National Association of Wholesalers.

TOLEDO, OHIO, July 29, 1953.

The National Congress of Petroleum Retailers, Inc., the National Trade Association of Gasoline Retailers and Service Station Operators, and representing nearly 200,000 such small-business men across the Nation, heartily and sincerely commend and endorse your bill, H. R. 5848 to strengthen and restore the original intent of the Robinson-Patman Act. We would like to be heard and submit evidence in support of this measure. Effective protection against price discrimination generally and against new types of price discrimination fostered by the Supreme Court decision in the Standard-Detroit case are absolutely essential for the business survival of the Nation's service station operators. We believe the public interest requires the protection of such small-business enterprises against economic destruction through price discrimination practices. The destruction of small business impoverishes the whole economy and means not only loss of savings and opportunity for the

individuals affected but higher and higher prices for the consuming public.

NATIONAL CONGRESS OF PETROLEUM
RETAILERS, INC.,
325 Farwell Building, Detroit, Mich.
By WILLIAM D. SNOW,
General Counsel, 970 Spitzer Building, Toledo, Ohio.

WASHINGTON, D. C., July 29, 1953.

This association with members in all States supports principles of H. R. 5848, believing that a strong fair-trade law fairly enforced is good for all businesses large and small.

C. W. KITCHEN,
Executive Vice President, United Fresh Fruit & Vegetable Association.

WASHINGTON, D. C., July 29, 1953.

The International Association of Machinists, with a membership of over 800,000, sincerely appreciates your diligent efforts in protecting the consumers of this country and the reputable businessmen against unfair competition.

A. J. HAYES,
International President.

DENVER, COLO., July 29, 1953.

The National Farmers Union endorses H. R. 5848 which would enable a buyer to benefit from discounts or low prices which were enjoyed by his competitors, the American free enterprise system customers. Farmers have suffered greatly during the past few years because of a privately administered price system maintained in part by big business price discriminations.

We oppose H. R. 635, H. R. 4170, H. R. 3501 believing that meeting competition in good faith should not be the sole criterion for determining injury to competition. We oppose these bills also because they are an open invitation to two or more big business groups to violate the Robinson Patman Act.

JAMES G. PATTON,
President, National Farmers Union.

WASHINGTON, D. C., July 29, 1953.

On behalf of the Congress of Industrial Organizations, I am authorized to assure you of our wholehearted support in your unflagging fight to defend consumers and the principles of fair competition by defending the Robinson-Patman Act against attempts to weaken or destroy its safeguards, and by working for additional safeguards against attempts by monopolists to rig markets for extortionate profits in the short run and a weaker national economy in the long run.

ROBERT OLIVER,
Assistant to the President and Coordinator of Legislative Activities Congress of Industrial Organizations.

WASHINGTON, D. C., July 29, 1953.

We favor the Robinson-Patman Act as a safeguard against destructive price discriminations, and hope that you as a sponsor of it will oppose harmful amendments, including unnecessary so-called clarifying or other changes that would cause confusion and uncertainty as to its meaning and result in more litigation and less compliance.

WM. A. QUINLAN,
General Counsel, Associated Retail Bankers of America.

WASHINGTON, D. C., July 29, 1953.

Your appearance before the Judiciary subcommittee today is eloquent testimony to the sincere interest you possess in the prob-

lems of small business. We wish to let you know that we sincerely appreciate your continued efforts in behalf of Nation's independent small businessmen.

W. W. MARSH,
Executive Secretary.

WASHINGTON, D. C., July 29, 1953.

The Cooperative League has followed with deep appreciation your long battle to prevent price discrimination and the growth of monopoly in America. We feel the Robinson-Patman Act is a fundamental cornerstone of a continuing free economy operating with other antimonopoly legislation. We strongly support your move to tighten and strengthen the Robinson-Patman and other antitrust legislation and pledge our whole-hearted support.

WALLACE J. CAMPBELL.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. GROSS. Mr. Speaker, further reserving the right to object, will the gentleman tell me whether this agreement permits the importation of wheat into the United States?

Mr. WOLCOTT. No; we are exporting it.

Mr. GROSS. There is no importation of wheat?

Mr. WOLCOTT. No; we are not buying wheat; we are selling it.

Mr. GROSS. We are not compelled to buy any wheat?

Mr. WOLCOTT. That is right.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

Mr. WOLCOTT. Mr. Speaker, I intended to ask to make this unanimous-consent request when we started, but I now ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks at this point on this resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Resolved, etc., That section 2 of the International Wheat Agreement Act of 1949 (63 Stat. 945) is amended by inserting before the parenthesis at the end of the first sentence thereof the following: "and the agreement revising and renewing the International Wheat Agreement for a period ending July 31, 1950, signed by Australia, Canada, France, the United States, and certain wheat importing countries."

SEC. 2. Reference in any law to the International Wheat Agreement of 1949 shall be deemed to include the agreement revising and renewing the International Wheat Agreement.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 360 was laid on the table.

AMENDING SUBMERGED LANDS ACT

Mr. GRAHAM submitted the following conference report and statement on the bill (H. R. 5134) to amend the Submerged Lands Act:

CONFERENCE REPORT (H. REPT. No. 1031)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5134) to amend the Submerged Lands Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Outer Continental Shelf Lands Act'."

"SEC. 2. Definitions: When used in this Act—

"(a) The term 'outer Continental Shelf' means all submerged lands lying seaward and outside of the area of lands beneath navigable waters as defined in section 2 of the Submerged Lands Act (Public Law 31, Eighty-third Congress, first session), and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control;

"(b) The term 'Secretary' means the Secretary of the Interior;

"(c) The term 'mineral lease' means any form of authorization for the exploration for, or development or removal of deposits of, oil, gas, or other minerals; and

"(d) The term 'person' includes, in addition to a natural person, as association, a State, a political subdivision of a State, or a private, public, or municipal corporation.

"SEC. 3. Jurisdiction Over Outer Continental Shelf: (a) It is hereby declared to be the policy of the United States that the subsoil and seabed of the outer Continental Shelf appertain to the United States and are subject to its jurisdiction, control, and power of disposition as provided in this Act.

"(b) This Act shall be construed in such manner that the character as high seas of the waters above the outer Continental Shelf and the right to navigation and fishing therein shall not be affected.

"SEC. 4. Laws Applicable to Outer Continental Shelf: (a) (1) The Constitution and laws and civil and political jurisdiction of the United States are hereby extended to the subsoil and seabed of the outer Continental Shelf and to all artificial islands and fixed structures which may be erected thereon for the purpose of exploring for, developing, removing, and transporting resources therefrom, to the same extent as if the outer Continental Shelf were an area of exclusive Federal jurisdiction located within a State: *Provided, however,* That mineral leases on the outer Continental Shelf shall be maintained or issued only under the provisions of this Act.

"(2) To the extent that they are applicable and not inconsistent with this Act or with other Federal laws and regulations of the Secretary now in effect or hereafter adopted, the civil and criminal laws of each adjacent State as of the effective date of this Act are hereby declared to be the law of the United States for that portion of the subsoil and seabed of the outer Continental Shelf, and artificial islands and fixed structures erected thereon, which would be within the area of the State if its boundaries were extended seaward to the outer margin of the outer Continental Shelf, and the President shall determine and publish in the Federal Register such projected lines extending seaward and defining each such area. All of such applicable laws shall be administered and enforced by the appropriate officers and courts of the United States.

State taxation laws shall not apply to the outer Continental Shelf.

"(3) The provisions of this section for adoption of State law as the law of the United States shall never be interpreted as a basis for claiming any interest in or jurisdiction on behalf of any State for any purpose over the seabed and subsoil of the outer Continental Shelf, or the property and natural resources thereof or the revenues therefrom.

"(b) The United States district courts shall have original jurisdiction of cases and controversies arising out of or in connection with any operations conducted on the outer Continental Shelf for the purpose of exploring for, developing, removing or transporting by pipeline the natural resources, or involving rights to the natural resources of the subsoil and seabed of the outer Continental Shelf, and proceedings with respect to any such case or controversy may be instituted in the judicial district in which any defendant resides or may be found, or in the judicial district of the adjacent State nearest the place where the cause of action arose.

"(c) With respect to disability or death of an employee resulting from any injury occurring as the result of operations described in subsection (b), compensation shall be payable under the provisions of the Longshoremen's and Harbor Workers' Compensation Act. For the purposes of the extension of the provisions of the Longshoremen's and Harbor Workers' Compensation Act under this section—

"(1) the term 'employee' does not include a master or member of a crew of any vessel, or an officer or employee of the United States or any agency thereof or of any State or foreign government, or of any political subdivision thereof;

"(2) the term 'employer' means an employer any of whose employees are employed in such operations; and

"(3) the term 'United States' when used in a geographical sense includes the outer Continental Shelf and artificial islands and fixed structures thereon.

"(d) For the purposes of the National Labor Relations Act, as amended, any unfair labor practice, as defined in such Act, occurring upon any artificial island or fixed structure referred to in subsection (a) shall be deemed to have occurred within the judicial district of the adjacent State nearest the place of location of such island or structure.

"(e) (1) The head of the Department in which the Coast Guard is operating shall have authority to promulgate and enforce such reasonable regulations with respect to lights and other warning devices, safety equipment, and other matters relating to the promotion of safety of life and property on the islands and structures referred to in subsection (a) or on the waters adjacent thereto, as he may deem necessary.

"(2) The head of the Department in which the Coast Guard is operating may mark for the protection of navigation any such island or structure whenever the owner has failed suitably to mark the same in accordance with regulations issued hereunder, and the owner shall pay the cost thereof. Any person, firm, company, or corporation who shall fail or refuse to obey any of the lawful rules and regulations issued hereunder shall be guilty of a misdemeanor and shall be fined not more than \$100 for each offense. Each day during which such violation shall continue shall be considered a new offense.

"(f) The authority of the Secretary of the Army to prevent obstruction to navigation in the navigable waters of the United States is hereby extended to artificial islands and fixed structures located on the outer Continental Shelf.

"(g) The specific application by this section of certain provisions of law to the sub-

soil and seabed of the outer Continental Shelf and the artificial islands and fixed structures referred to in subsection (a) or to acts or offenses occurring or committed thereon shall not give rise to any inference that the application to such islands and structures, acts, or offenses of any other provision of law is not intended.

"SEC. 5. Administration of Leasing of the Outer Continental Shelf: (a) (1) The Secretary shall administer the provisions of this Act relating to the leasing of the outer Continental Shelf, and shall prescribe such rules and regulations as may be necessary to carry out such provisions. The Secretary may at any time prescribe and amend such rules and regulations as he determines to be necessary and proper in order to provide for the prevention of waste and conservation of the natural resources of the outer Continental Shelf, and the protection of correlative rights therein, and, notwithstanding any other provisions herein, such rules and regulations shall apply to all operations conducted under a lease issued or maintained under the provisions of this Act. In the enforcement of conservation laws, rules, and regulations the Secretary is authorized to cooperate with the conservation agencies of the adjacent States. Without limiting the generality of the foregoing provisions of this section, the rules and regulations prescribed by the Secretary thereunder may provide for the assignment or relinquishment of leases, for the sale of royalty oil and gas accruing or reserved to the United States at not less than market value, and, in the interest of conservation, for unitization, pooling, drilling agreements, suspension of operations or production, reduction of rentals or royalties, compensatory royalty agreements, subsurface storage of oil or gas in any of said submerged lands, and drilling or other easements necessary for operations or production.

"(2) Any person who knowingly and willfully violates any rule or regulation prescribed by the Secretary for the prevention of waste, the conservation of the natural resources, or the protection of correlative rights shall be deemed guilty of a misdemeanor and punishable by a fine of not more than \$2,000 or by imprisonment for not more than six months, or by both such fine and imprisonment, and each day of violation shall be deemed to be a separate offense. The issuance and continuance in effect of any lease, or of any extension, renewal, or replacement of any lease under the provisions of this Act shall be conditioned upon compliance with the regulations issued under this Act and in force and effect on the date of the issuance of the lease if the lease is issued under the provisions of section 8 hereof, or with the regulations issued under the provisions of section 6 (b), clause (2), hereof if the lease is maintained under the provisions of section 6 hereof.

"(b) (1) Whenever the owner of a non-producing lease fails to comply with any of the provisions of this Act, or of the lease, or of the regulations issued under this Act and in force and effect on the date of the issuance of the lease if the lease is issued under the provisions of section 8 hereof, or of the regulations issued under the provisions of section 6 (b), clause (2), hereof, if the lease is maintained under the provisions of section 6 hereof, such lease may be canceled by the Secretary, subject to the right of judicial review as provided in section 8 (j), if such default continues for the period of thirty days after mailing of notice by registered letter to the lease owner at his record post office address.

"(2) Whenever the owner of any producing lease fails to comply with any of the provisions of this Act, or of the lease, or of the regulations issued under this Act and in force and effect on the date of the issuance of the lease if the lease is issued under the provisions of section 8 hereof, or of the regula-

Public Law 180 - 83d Congress
Chapter 306 - 1st Session
S. J. Res. 97

JOINT RESOLUTION

All 67 Stat. 358.

To amend the International Wheat Agreement Act of 1949.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the International Wheat Agreement Act of 1949 (63 Stat. 945) is amended 7 USC 1641. by inserting before the parenthesis at the end of the first sentence thereof the following: "and the agreement revising and renewing the International Wheat Agreement for a period ending July 31, 1956, signed by Australia, Canada, France, the United States, and certain wheat importing countries".

SEC. 2. Reference in any law to the International Wheat Agreement of 1949 shall be deemed to include the agreement revising and renew- 63 Stat. pt. 2, ing the International Wheat Agreement. p. 2173.

Approved August 1, 1953.

